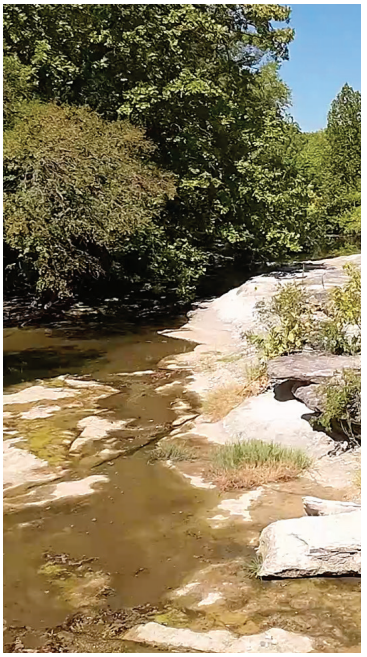
FISCAL YEAR ENDED SEPTEMBER 30,

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF DUNCANVILLE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF DUNCANVILLE, TEXAS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

Prepared by:
Financial Services Department

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CITY OF DUNCANVILLE, TEXAS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

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Richard Abernethy
Interim City Manager

March 5, 2026

The Honorable Mayor, Members of the City Council and Residents
City of Duncanville
Duncanville, Texas

The Fiscal Services Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Duncanville, Texas, for the fiscal year ended September 30, 2025.

This report provides the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial position and activities of the City of Duncanville. Responsibility for the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity in our various funds. We also believe all disclosures necessary to enable the reader to fully understand the City's financial affairs are included.

Pattillo, Brown & Hill, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Duncanville's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the beginning of the financial section of this ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY PROFILE

Location

Located in the Best Southwest portion of Dallas County, the City of Duncanville is situated approximately 20 minutes from Fort Worth and just minutes from downtown Dallas. The City covers approximately 12 square miles and is easily accessible from major interstate and highway systems in North Texas, including I-35 (the NAFTA Corridor), I-20, and Highway 67. The 2025 estimated population for the City of Duncanville was 39,071 (Source: Texas Demographics).

The City of Duncanville is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the State of Texas, including the City's Home Rule Charter. The City was incorporated in 1949 and first adopted the Home Rule Charter on May 5, 1962. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six (6) Council members, who enact local laws, determine policies and adopt the annual budget. The term of office is two years, with the terms of the Mayor and two of the Council members' terms expiring in even-numbered years and the terms of the remaining four Council members expiring in odd-numbered years.

The City Manager, appointed by City Council, is the chief administrative officer for the City and is responsible for the daily management of the City. The City's basic financial statements include all government activities, organizations, functions, and a discretely presented component unit, the Duncanville Community Economic Development Corporation (DCEDC), for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). No other governmental organizations are included in this report based on these criteria.

Services Provided

The City provides necessary services while managing costs to deliver services through a strict budget and accounting process. Primary services offered under general government and enterprise functions are public safety (police and fire protection), emergency medical services, court services, highways and street maintenance, water and sanitary sewer utility services, health and social services, culture and recreational activities, library services, public improvements, planning and zoning activities, and general administrative services.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, expenditures when services or goods are received, and liabilities being incurred. Accounting records for the City's utility funds and other proprietary activities are maintained on an accrual basis. Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level. Capital expenditures (items over $5,000 and having a useful life of three or more years) are monitored and controlled by each item purchased. Revenue and expenditure budgets are reviewed monthly, and monthly financial reports are presented to City Council.

Management of the City is responsible for establishing and maintaining internal controls that safeguard the assets of the City from loss, theft, or misuse and ensure that adequate accounting data is compiled to prepare financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The City also uses a third party to host an anonymous fraud hotline as an additional deterrent against loss and misuse of city assets.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets when fully implemented and utilized; and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that City Council adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council. Budgetary control is maintained using an automated general ledger system that compares actual expenditures to the legally adopted appropriation in each line-item account. Monthly financial reports are available to all of the City's departmental and divisional management team. These reports show budget-to-actual expenditures by line item. Financial reports are presented to City Council on a quarterly basis.

As demonstrated by the statements and schedules included in the financial section of this report, the City maintains sound fiscal management.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City operates.

Regional Economy

- Duncanville's economy is closely tied to the broader Dallas–Fort Worth (DFW) metropolitan area, which remains one of the fastest-growing regions in the U.S., supported by diverse employment sectors and ongoing corporate investment.

- Although overall job growth slowed in 2025 compared with historical trend levels, the DFW area continued to expand employment in key sectors such as healthcare, professional services, construction, and leisure/hospitality.

- As of the 2025 Fortune 500 list, the Dallas–Fort Worth metroplex is home to 21 Fortune 500 companies and 44 Fortune 1000 companies ranked among the largest corporations in the United States by revenue. (Dallas Regional Chamber)

- Regional job growth moderated in 2025 compared to prior years but remained positive across key sectors including healthcare, professional services, construction, and leisure/hospitality.

- Wage growth in North Texas continued at a moderate pace, supporting consumer spending and stabilizing sales tax revenues.

- Dallas-Fort Worth offers a variety of quality educational institutions with robust programming in life sciences, engineering, and the arts. The University of Texas at Dallas, the University of North Texas, and the University of Texas at Arlington, are among Texas' eight "emerging research" universities. U.T. Southwestern Medical Center is among the nation's best in biology and biochemistry research, boasting countless clinical breakthroughs and innovations. (Dallas Regional Chamber)

Duncanville's Position in the Region

The City's Comprehensive Plan (Duncanville 2040) provides a strategic framework for long-term growth, infrastructure investment, and economic development alignment. Strategic infrastructure investments and redevelopment initiatives under Duncanville 2040 may enhance long-term fiscal stability and economic competitiveness.

Duncanville has limited land available for new residential and commercial development. However, Duncanville is still home to a diversified group of manufacturing and distribution firms. Major manufacturing industries within the City produce corrugated storage and filing boxes, bakery products, fabricated sheet-metal products, cabinets, doors, and frozen foods.

Duncanville's citizens and business community are committed to managing growth and maintaining the economic prosperity and quality of life Duncanville currently enjoys.

The Economic Development Department actively supports existing businesses and recruits new ones, especially along key commercial corridors such as Main Street, Camp Wisdom Road, Cedar Ridge Drive, and along both Interstate Highway-20 and US-67. The City and the Duncanville Community and Economic Development Corporation (DCEDC) provide incentives and grant programs designed to diversify the local economy, create jobs, attract private investment, and expand the sales tax base.

The City is planning to implement a major project involving the installation of Advanced Metering Infrastructure (AMI) during Fiscal Year 2026. Our Public Works department also remains steadfast in their planning and bringing about of a strong water and sewer line rehabilitation/replacement program.

The Duncanville Arts Commission continues to build momentum with the establishment of the Duncanville Arts Fund in FY2025. This will assist in the Commission's leadership and efforts in the areas of programming, cultural initiative, and growth toward a more vibrant arts sector.

Future Economic Outlook

Duncanville continues to experience an increase in sales tax collections. In FY 2025, the City experienced an increase of 3% versus the prior year. The City expects a slight sales tax increase in the year ahead. The City expects to see modest increases in property values as the DFW metroplex continues to be an economy for attracting businesses.

Property valuations are expected to grow, albeit at a slower pace than recent peak years, contributing to a more stable but still expanding property tax base. Ongoing development efforts will help to support future increases in certified taxable values, which aids in long-term fiscal capacity.

The City will continue to place an emphasis on business attraction, retention, and incentives to support existing employers and recruit new ones, particularly in retail, services, and light industrial sectors. Economic Development department's efforts in the areas of small business support, revitalization of our downtown, and façade improvement programs, position the City to strengthen its commercial districts and encourage private investment.

RELEVANT FINANCIAL POLICIES

The City's policy is that all interest-bearing demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 102% of the deposits less the amount insured by the FDIC (currently $250,000). The Financial Services Department and a third-party financial institution maintain evidence of the pledged collateral. Pledged collateral is also reviewed by the Financial Services Department and our investment advisors, Valley View Investment Consultants. The safekeeping institution, or Custodian, is the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral. The safekeeping agreement is a three-party contract between the City, the depository bank, and the Federal Reserve Bank as Custodian. The City also accepts letters of credit drawn on the Federal Home Loan Bank as collateral to protect investments.

Investment reports are presented to the City Council each quarter. These reports summarize all investments of the City and compare returns to benchmarks such as the 90-day Treasury-Bill rates. The reports also describe the portfolio in terms of investment securities, maturities, and risk characteristics. All investments and reports comply with the Public Funds Investment Act.

All investments transacted by the City are purchased using the delivery versus payment method. That is, funds are not wired or paid until verification has been made that the Custodian has received the correct security. The security is held in the name of the City or held on behalf of the City. The Custodian's records must assure the notation of the City's ownership or explicit claim on the securities. The original copy of all safekeeping statements is delivered to the City.

The Audit Committee of the Duncanville City Council is chartered to assist the City Council in fulfilling its financial and compliance oversight responsibilities. The Audit Committee is the City Council's principal agent in ensuring the independence of the City's annual financial audit, the integrity of City management, and the adequacy of financial disclosures to the public. The Audit Committee serves as the focal point for communication between the City Council, the independent auditor, and City management. The Audit Committee's primary duties and responsibilities are to 1) Advise the City Council and management on selecting the independent auditor. 2) Serve as an independent and objective party to monitor the City's financial and compliance reporting process and internal control system. 3) Review and appraise the audit efforts of the City's independent auditor. 4) Provide an open avenue of communication among the independent auditor, financial and senior management, and the Duncanville City Council.

Financial Planning

The City's Fund Balance Policy states that the target fund balance of at least 90 days of operating expenditures should be maintained in the general fund. This target is to help ensure against unforeseen changes that might negatively impact revenues or expenditures. A fleet replacement fund is utilized in an attempt to limit or eliminate any borrowing for new vehicles. A similar information technology replacement fund is also used to assist in the funding for computer and server replacements.

OTHER INFORMATION

Independent Audit

The City Charter requires an independent audit of the City's financial records each year by qualified, certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditor's report has been included in this report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) offers an award program for a Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR). The Certificate of Achievement (COA) is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

We are pleased to report the City of Duncanville received the COA award for the year ended September 30, 2024, and continues to conform to the Certificate of Achievement program requirements.

Acknowledgments

The preparation of this report was made possible by the dedicated service of the entire staff of the Fiscal Services Department.

We would also like to thank the members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

Richard Abernethy
Interim City Manager

Richard Jackson
CFO/Managing Director of Fiscal Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

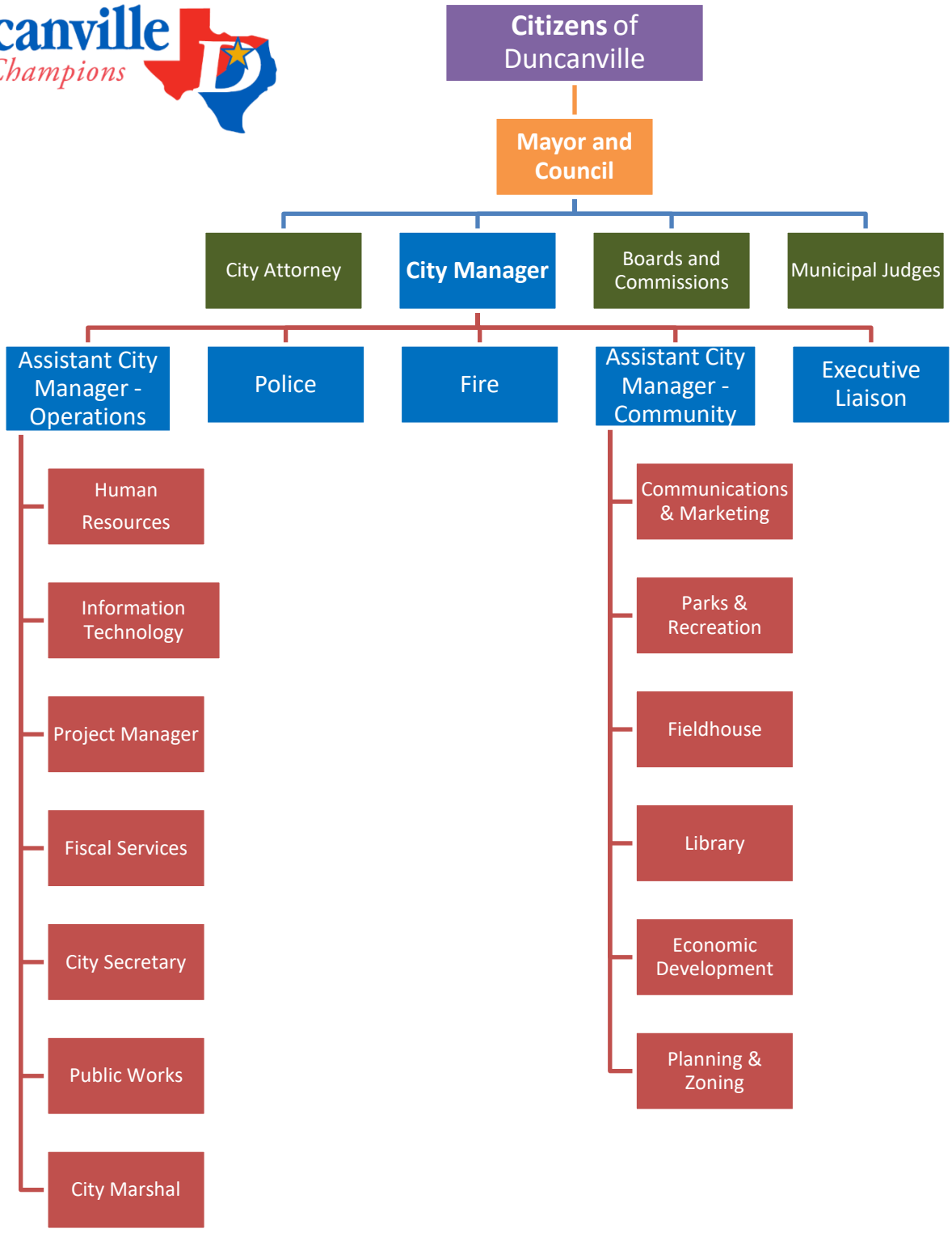
City of Duncanville
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO



Organization Chart

September 30, 2025

City of Duncanville

City Council

Greg Contreras, Mayor

Councilmembers:

Joe Veracruz, District 1

Don McBurnett, District 2

Jeremy Koontz, District 3 and Mayor Pro Tem

Karen Cherry-Brown, District 4

Kyle Pennebaker, District 5

DeMonica Gooden, Councilmember At-Large

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Duncanville, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Duncanville, Texas (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I to the basic financial statements, during the year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

AICPA GAQC Member

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, and pension and OPEB information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 5, 2026

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MANAGEMENT'S
DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Duncanville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report, and the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the 2025 fiscal year by $166,772,418 (net position). Of this amount, $39,428,485 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- As of the close of fiscal year 2025, the City's governmental funds reported combined ending fund balances of $47,153,490, an increase of $817,746 from the prior year. Approximately 48% of this total amount is unassigned fund balance. Fund balances increased primarily due to increased property taxes offset by decreased grant revenue coupled with a reduction in capital expenditures.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $22,556,107 or 52% of total General Fund expenditures.

- The City's total capital assets net of accumulated depreciation increased by $570,594. The increase is due to the continued purchase and construction of capital assets, net of depreciation.

- The City's governmental and business-type activities outstanding bonded debt decreased $1,182,331 to a total outstanding amount of $17,578,352. The decrease is due to the City making scheduled debt payments which offset the issuance of leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The main goal is to ascertain whether the City is in a better financial position at the end of the current fiscal year compared to the previous year. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps to determine this relative position. Other non-financial factors should also be taken into consideration to assess the overall health or financial condition of the City.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information in order to present how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, the revenues and expenses reported in this statement for some items will only result in changes in cash flows for future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business- type activities). Governmental activities include most of the City's basic services such as police, fire, public works, code compliance, library, parks and recreation, economic development and community services as well as general government activities. The business-type activities of the City include water, sewer, solid waste services and a sports facility.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Duncanville Community and Economic Development Corporation (DCEDC) (a discretely presented component unit).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The fund financial statements for governmental funds and proprietary funds can be found in the financial section of this report.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 16 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Bond Capital Projects, and American Rescue Plan funds, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the *combining and individual fund statements and schedules* section of this report.

The City adopts an annual appropriated budget for its General, Debt Service, Hotel Motel Tax, and Drainage Fees funds.

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility (water and sewer), solid waste and sports facility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its group health insurance, general liability insurance programs, and fleet and information technology replacement activities. All of these programs are predominantly governmental activities; however, as they benefit both governmental and business-type activities, the results of the current year have been allocated by function in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Utility, Solid Waste and Sports Facility funds, all of which are considered to be major funds. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. A *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual* is provided for the General Fund to demonstrate compliance with the budget. Information regarding the City's progress in funding its obligations to provide pension and OPEB benefits to its employees also is provided. Required supplementary information immediately follows the notes to the financial statements.

The combining and individual fund statements and schedules for nonmajor governmental funds, proprietary funds and fund financial statements for the City's discretely presented component unit are presented immediately following the required supplementary information on pages 61-81.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2025, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $166,772,418.

The largest portion of the City's net position (71%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $39,428,485 may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2025, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities.

City of Duncanville's Net Position
Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 57,861,811	$ 59,983,349	$ 23,727,618	$ 19,623,084	$ 81,589,429	$ 79,606,433
Long-term assets	72,668,351	72,789,987	54,587,935	53,895,705	127,256,286	126,685,692
Total assets	130,530,162	132,773,336	78,315,553	73,518,789	208,845,715	206,292,125
Deferred outflows of resources	3,791,643	5,448,150	413,353	600,305	4,204,996	6,048,455
Total outflows of resources	3,791,643	5,448,150	413,353	600,305	4,204,996	6,048,455
Current and other liabilities	3,541,544	5,834,908	2,717,996	2,628,191	6,259,540	8,463,099
Long-term liabilities	35,578,244	29,597,302	1,793,307	1,491,910	37,371,551	31,089,212
Total liabilities	39,119,788	35,432,210	4,511,303	4,120,101	43,631,091	39,552,311
Deferred inflows of resources	2,386,982	1,860,568	260,220	204,276	2,647,202	2,064,844
Total inflows of resources	2,386,982	1,860,568	260,220	204,276	2,647,202	2,064,844
Net position:						
Net investment in capital assets	63,425,626	63,591,343	54,563,571	53,329,603	117,989,197	116,920,946
Restricted	9,354,736	10,297,996	-	-	9,354,736	10,297,996
Unrestricted	20,034,673	27,039,369	19,393,812	16,465,114	39,428,485	43,504,483
Total net position	$ 92,815,035	$ 100,928,708	$ 73,957,383	$ 69,794,717	$ 166,772,418	$ 170,723,425

Governmental activities. Net position decreased by ($8,113,673) in fiscal year 2025 compared to an increase of $3,476,687 in fiscal year 2024. During the current year, there were increases in property taxes and sales taxes. These tax revenues have continued to increase as the City, and Dallas County as a whole, experience steady population growth and new development. Governmental activities expenses increased largely in the areas of public safety and public works, primarily as a result of rising personnel-related costs including the cost associated with increases to retirement benefits.

Business-type activities. Net position increased by $4,162,666 in the current year compared to an increase of $3,661,916 in fiscal year 2024. The increase in net position as compared to the prior year is contributable to the increase in revenue related to charges for services stemming from an increase in water and sewer rates. Increases to expenses related primarily to increased wastewater and payroll-related costs as the City works to continue offering competitive wages.

The following table provides a summary of the operations of governmental activities and business-type activities for the year ended September 30, 2025. Overall, the City had a decrease in net position of ($3,951,007). Overall revenues decreased and expenses increased over the prior year.

City of Duncanville's Changes in Net Position
Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 4,129,430	$ 3,277,256	$ 29,040,691	$ 27,587,933	$ 33,170,121	$ 30,865,189
Operating grants & contributions	1,085,543	4,908,156	891,917	538,625	1,977,460	5,446,781
Capital grants & contributions	232,789	2,054,500	-	-	232,789	2,054,500
General revenues:						
Property taxes	24,244,267	22,377,809	-	-	24,244,267	22,377,809
Other local taxes	13,419,152	13,164,846	-	-	13,419,152	13,164,846
Investment earnings	3,210,424	3,780,969	358,233	425,515	3,568,657	4,206,484
Gain on sale of capital assets	589,090	555,101	145,666	194,117	734,756	749,218
Miscellaneous	536,375	-	-	-	536,375	-
Total revenues	47,447,070	50,118,637	30,436,507	28,746,190	77,883,577	78,864,827
Expenses:						
General government	7,817,632	7,223,541	-	-	7,817,632	7,223,541
Police	17,825,975	15,081,578	-	-	17,825,975	15,081,578
Fire	12,082,148	10,626,928	-	-	12,082,148	10,626,928
Public works	9,707,969	7,826,216	-	-	9,707,969	7,826,216
Finance	2,598,840	2,122,338	-	-	2,598,840	2,122,338
Neighborhood and planning	1,334,851	1,616,105	-	-	1,334,851	1,616,105
Parks and recreation	4,889,536	4,381,958	-	-	4,889,536	4,381,958
Interest on long-term debt	574,655	590,761	-	-	574,655	590,761
Water and sewer	-	-	18,304,389	15,958,204	18,304,389	15,958,204
Solid Waste	-	-	4,761,069	4,461,210	4,761,069	4,461,210
Sports facility	-	-	1,937,520	1,837,385	1,937,520	1,837,385
Total expenses	56,831,606	49,469,425	25,002,978	22,256,799	81,834,584	71,726,224
Revenues in Excess of Expenses	(9,384,536)	649,212	5,433,529	6,489,391	(3,951,007)	7,138,603
Transfers	1,270,863	2,827,475	(1,270,863)	(2,827,475)	-	-
Change in net position	(8,113,673)	3,476,687	4,162,666	3,661,916	(3,951,007)	7,138,603
Net position - beginning of year	100,928,708	97,452,021	69,794,717	66,132,801	170,723,425	163,584,822
Net position - end of year	$ 92,815,035	$ 100,928,708	$ 73,957,383	$ 69,794,717	$ 166,772,418	$ 170,723,425

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds*.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $47,153,490, an increase of $817,746 from the prior year. Approximately 48% of this total amount is available for spending at the City's discretion. A portion of the remaining fund balance in the amount of $22,830,048 is not available for new spending because it is restricted to pay for 1) street improvements and capital projects 2) debt service 3) public safety grants and 4) economic development projects.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $22,556,107, while the total fund balance was $24,323,442. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total expenditures. Unassigned fund balance represents 52% of the General Fund expenditures.

The final General Fund budget for fiscal year 2025 reflected a decrease of $1,870,557 in fund balance. The actual change in fund balance was an increase of $859,134. Contributing factors were the realization of revenues of $1,298,101 over the budgeted amounts and overall expenditures $626,531 under budgeted amounts. Key factors affecting fund balance are as follows:

- Total actual General Fund revenues of $41,136,310 increased from FY 2024 actuals by $2,175,012 and were greater than budgeted FY 2025 by $1,298,101. This was primarily caused by increases in investment income related to higher than expected yield.

- Total General Fund expenditures of $43,192,849 increased by $2,543,860 from FY 2024 actuals and were less than budgeted FY 2025 amounts by $621,531. The significant budget surplus resulted primarily from the budgeting of certain multi-year public works project costs in one year.

The actual revenues of $41,136,310 were more than the budgeted revenues by $1,298,101. Sales tax, franchise fees, licenses and permits, investment earnings and intergovernmental revenue exceeded the budgeted amount.

Original budget compared to final budget. During the year, amendments were made to increase the original estimated revenues in the General Fund in multiple categories. There was also an amendment to original budgeted appropriations for the capital outlay function for planned project costs.

Debt service fund balance increased by $7,666. Fund balances may fluctuate in the future as management continues to evaluate the amount of debt service property taxes needed to fund the City's debt service.

The fund balance of the bond capital projects fund increased by $571,727 due to interest earnings on the cash balance in the fund. Fund balance will decrease in future years as these funds are spent down.

The American Rescue Plan Fund, ended with $480,194 in fund balance. The fund was used to record the American Rescue Plan Act grant funding received from the Federal government. The proceeds were recorded as unearned revenue and will be recognized in future years as project costs are incurred.

Proprietary Funds. The City's proprietary fund statements provide details on the City's individual enterprise funds activities and additionally report the financial results of the internal service funds, which have been consolidated in the government-wide statements.

Unrestricted net position of the respective proprietary funds are Utility - $19,487,191, Solid Waste - $1,360,424, and Fieldhouse Sports Facility - ($1,544,971). The net position for the Utility Fund increased $2,670,983; Solid Waste increased $80,763 and Fieldhouse Sports Facility increased $1,554,297. The overall change in net position for business-type activities was an increase of $4,306,043. Utility Fund revenues increased with a utility rate increase. Overall proprietary funds operating revenues of $29,186,357 reflected an increase of $1,404,307 or approximately 5% compared to the prior year. Proprietary funds operating expenses of $24,739,294 reflected an increase of $2,386,352 or approximately 11% from prior year. As discussed previously, the increase in expenses is primarily related to wastewater and personnel-related costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of fiscal year 2025, the City had $127.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, and water and sewer lines. This amount represents a net increase of $0.6 million from the prior fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 21,139,703	$ 21,139,703	$ 567,630	$ 567,630	$ 21,707,333	$ 21,707,333
Construction in progress	1,811,220	6,020,480	1,021,497	4,981,819	2,832,717	11,002,299
Buildings	22,606,223	22,541,737	17,665,329	17,367,829	40,271,552	39,909,566
Infrastructure	71,524,096	69,170,795	68,199,903	63,023,047	81,210,084	132,193,842
Improvements	13,010,181	9,764,955	1,519,645	1,519,645	73,043,741	11,284,600
Equipment and furniture	34,722,181	33,728,037	4,589,602	3,492,391	39,311,783	37,220,428
Right-to-use equipment	342,711	-	29,986	-	372,697	-
Water rights	-	-	4,802,361	4,802,361	4,802,361	4,802,361
Total capital assets	165,156,315	162,365,707	98,395,953	95,754,722	263,552,268	258,120,429
Less: accumulated depreciation	(92,487,964)	(89,575,720)	(43,808,018)	(41,859,017)	(136,295,982)	(131,434,737)
Government capital assets, net	$ 72,668,351	$ 72,789,987	$ 54,587,935	$ 53,895,705	$ 127,256,286	$ 126,685,692

Major capital asset events during the 2025 fiscal year include the following:

- Completion of water and wastewater projects totaling $4.3 million including Wheatland Road and various pipe bursting projects, and governmental capital projects of $5.2 million including the completion of Ten Mile Creek Erosion project and Armstrong Park and Splash Pad

- New vehicle and equipment includes the purchase of a tractor and 4 pickup trucks for the parks department totaling $453,000; 3 police cars for $217,000; 2 dump trucks for $220,000; and a generator for City Hall/Police station for $376,000

- Replacement of roof and HVAC units at the Fieldhouse totaling $1.4 million.

Additional information on the City's capital assets can be found in Note II. F to the financial statements.

DEBT ADMINISTRATION

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 16,445,000	$ 17,300,000	$ -	$ 530,000	$ 16,445,000	$ 17,830,000
Bond premium	830,534	892,437	-	38,246	830,534	930,683
Leases	278,454	-	24,364	-	302,818	-
	$ 17,553,988	$ 18,192,437	$ 24,364	$ 568,246	$ 17,578,352	$ 18,760,683

The City has an AA rating from Fitch and an AA rating from Standard & Poor's. Additional information on the City's long-term debt can be found in Note II. G to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2025-2026 fiscal year budget:

- Ad valorem tax revenue is determined, in part, by total assessed property value established by the Dallas Central Appraisal District. Total certified taxable property values increased by 4.5% on the tax roll for 2025-2026 from the previous fiscal year.

- The second factor in determining ad valorem tax revenue is the tax rate set by the City Council. For the 2025-2026 fiscal year budget, the City tax rate decreased by $.014668 (-2.4%), reducing the tax rate to $0.600166 per $100 of assessed valuation.

- As of September 30, 2025, sales tax revenues realized a 3.9 % increase from the previous year actuals. During budget preparation to be conservative, the FY 2026 budget for sales tax remained flat per the FY2025 end of year projection and therefore an increase was not included. The forecast overall for sales tax in 2026 is 2.5%.

- Water, sewer, and garbage collection rates are projected to increase. Dallas Water Utility (wholesale water purchases), Trinity River Authority (Wastewater Treatment), Republic for garbage collection continue to pass increases to the City.

- Funding of $5.7 million has been allocated for new capital projects related to IT and fleet replacements, water and wastewater line replacement, water and wastewater project construction design, pipe bursting, alley replacement, drainage improvements and street construction design projects, and continuation of capital bond projects. FY 2026 will include continuation of major projects, funded from previous years for Harrington Park Improvements and Cedar Ridge Road Reconstruction.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Fiscal Services Department, at:

City of Duncanville, P.O. Box 380280 Duncanville, TX 75138-0280

Attn: Richard Jackson, Managing Director Fiscal Services
(972) 780-5005, richard.jackson@duncanvilletx.gov

Tia Pettis, Assistant Director of Fiscal Services
(972) 780-5029, tia.pettis@duncanvilletx.gov

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BASIC
FINANCIAL STATEMENTS

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government	
	Governmental Activities	Business-Type Activities
ASSETS		
Cash and investments	$ 49,899,579	$ 18,818,632
Receivables, net of allowance	6,934,334	3,787,659
Due from other governments	40,574	186,675
Internal balances	(91,168)	91,168
Prepaid items	12,625	465
Restricted cash and investments	-	843,019
Investment in joint ventures	1,065,867	-
Capital assets:		
Non-depreciable	22,950,923	1,589,127
Depreciable, net	49,717,428	52,998,808
Total capital assets	72,668,351	54,587,935
Total assets	130,530,162	78,315,553
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts - pension related	3,350,452	365,254
Deferred amounts - OPEB related	441,191	48,099
Total deferred outflows of resources	3,791,643	413,353
LIABILITIES		
Accounts payable and accrued expenses	1,706,734	1,400,453
Accrued liabilities	1,296,192	257,398
Accrued interest payable	77,216	-
Unearned revenue	451,181	149,225
Customer deposits	10,221	910,920
Investment in joint ventures	-	-
Noncurrent liabilities:		
Due within one year:		
Long-term debt	956,472	5,820
Compensated absences	381,762	27,898
Total OPEB liability	39,571	4,314
Due in more than one year:		
Long-term debt	16,597,516	18,544
Compensated absences	5,071,985	370,655
Net pension liability	12,519,931	1,364,877
Total OPEB liability	11,007	1,199
Total liabilities	39,119,788	4,511,303
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts - pension related	1,243,281	135,538
Deferred amounts - OPEB related	1,143,701	124,682
Total deferred inflows of resources	2,386,982	260,220
NET POSITION		
Net investment in capital assets	63,425,626	54,563,571
Restricted for:		
Debt service	547,369	-
Public safety	3,732,226	-
Economic development	5,024,841	-
Capital projects	50,300	-
Unrestricted	20,034,673	19,393,812
Total net position	$ 92,815,035	$ 73,957,383

The accompanying notes are an integral part of these financial statements.

Primary Government	Component Unit
Total	Duncanville Community and Economic Development Corporation
$ 68,718,211	$ 6,474,902
10,721,993	606,989
227,249	-
-	-
13,090	-
843,019	-
1,065,867	-
24,540,050	219,637
102,716,236	784,511
127,256,286	1,004,148
208,845,715	8,086,039
3,715,706	-
489,290	-
4,204,996	-
3,107,187	131,789
1,553,590	29,119
77,216	-
600,406	-
921,141	-
-	60,328
962,292	-
409,660	-
43,885	-
16,616,060	-
5,442,640	-
13,884,808	-
12,206	-
43,631,091	221,236
1,378,819	-
1,268,383	-
2,647,202	-
117,989,197	1,004,148
547,369	-
3,732,226	-
5,024,841	6,860,655
50,300	-
39,428,485	-
$ 166,772,418	$ 7,864,803

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 7,817,632	$ 126,811	$ 314,914
Police	17,825,975	479,139	394,787
Fire	12,082,148	1,468,052	-
Public works	9,707,969	1,863,672	375,842
Finance	2,598,840	-	-
Neighborhood and planning	1,334,851	-	-
Parks and recreation	4,889,536	191,756	-
Interest on long-term debt	574,655	-	-
Total governmental activities	56,831,606	4,129,430	1,085,543
Business-type activities:			
Utility	18,304,389	22,567,419	353,967
Solid waste	4,761,069	5,033,912	-
Fieldhouse sports facility	1,937,520	1,439,360	537,950
Total business-type activities	25,002,978	29,040,691	891,917
Total Primary Government	81,834,584	33,170,121	1,977,460
Component Units:			
Duncanville Community Economic Development Corporation	4,026,149	-	-
Total Component Units	$ 4,026,149	$ -	$ -
General Revenues:			
Taxes:			
Property taxes			
Franchise taxes			
Sales and mixed beverage taxes			
Hotel occupancy			
Unrestricted investment earnings			
Miscellaneous			
Gain on sale of capital assets			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position - beginning			
Net position - ending			

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Primary Government			Component Unit
Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total	Duncanville Community and Economic Development Corporation
$	-	$ (7,375,907)	$ -	$ (7,375,907)	$ -
	-	(16,952,049)	-	(16,952,049)	-
	-	(10,614,096)	-	(10,614,096)	-
	232,789	(7,235,666)	-	(7,235,666)	-
	-	(2,598,840)	-	(2,598,840)	-
	-	(1,334,851)	-	(1,334,851)	-
	-	(4,697,780)	-	(4,697,780)	-
	-	(574,655)	-	(574,655)	-
	232,789	(51,383,844)	-	(51,383,844)	-
	-	-	4,616,997	4,616,997	-
	-	-	272,843	272,843	-
	-	-	39,790	39,790	-
	-	-	4,929,630	4,929,630	-
	232,789	(51,383,844)	4,929,630	(46,454,214)	-
	-	-	-	-	(4,026,149)
$	-	-	-	-	(4,026,149)
		24,244,267	-	24,244,267	-
		1,860,182	-	1,860,182	-
		10,481,239	-	10,481,239	3,506,620
		1,077,731	-	1,077,731	-
		3,210,424	358,233	3,568,657	96,424
		589,090	145,666	734,756	64,511
		536,375	-	536,375	-
		1,270,863	(1,270,863)	-	-
		43,270,171	(766,964)	42,503,207	3,667,555
		(8,113,673)	4,162,666	(3,951,007)	(358,594)
		100,928,708	69,794,717	170,723,425	8,223,397
		$ 92,815,035	$ 73,957,383	$ 166,772,418	$ 7,864,803

CITY OF DUNCANVILLE, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General	Debt Service	American Rescue Plan
ASSETS			
Cash and investments	$ 23,844,019	$ 593,943	$ 879,622
Receivables, net of allowance	6,634,935	30,642	-
Due from other governments	-	-	-
Prepaid items	12,625	-	-
Total assets	30,491,579	624,585	879,622
LIABILITIES			
Accounts payable	1,198,067	-	22,158
Accrued liabilities	1,287,100	-	-
Customer deposits	10,221	-	-
Unearned revenue	14,117	-	377,270
Total liabilities	2,509,505	-	399,428
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	3,658,632	29,430	-
Total deferred inflows of resources	3,658,632	29,430	-
FUND BALANCES			
Nonspendable for:			
Prepaid items	12,625	-	-
Restricted for:			
Debt service	-	595,155	-
Public safety	-	-	-
Economic development	-	-	480,194
Capital projects	-	-	-
Assigned for:			
One-time projects	1,754,710	-	-
Unassigned	22,556,107	-	-
Total fund balances	24,323,442	595,155	480,194
Total liabilities, deferred inflows of resources, and fund balances	$ 30,491,579	$ 624,585	$ 879,622

The accompanying notes are an integral part of these financial statements.

Bond Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
$ 8,388,101	$ 13,533,567	$ 47,239,252
-	256,757	6,922,334
-	40,574	40,574
-	-	12,625
8,388,101	13,830,898	54,214,785
10,110	327,103	1,557,438
-	9,092	1,296,192
-	-	10,221
-	59,794	451,181
10,110	395,989	3,315,032
-	58,201	3,746,263
-	58,201	3,746,263
-	-	12,625
-	-	595,155
-	3,732,226	3,732,226
-	4,536,746	5,016,940
8,377,991	5,107,736	13,485,727
-	-	1,754,710
-	-	22,556,107
8,377,991	13,376,708	47,153,490
$ 8,388,101	$ 13,830,898	$ 54,214,785

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CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds	$	47,153,490
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		68,625,069
Internal service funds are used to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities the internal service funds is reported with governmental activities, less $91,168 due to business-type activities for these services.		6,475,145
Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.		
Bonds and certificates of obligation payable		(16,445,000)
Leases		(278,454)
Compensated absences		(5,453,747)
Accrued interest payable		(77,216)
Unamortized premium on bonds		(830,534)
Unavailable revenue in the governmental fund statements is recognized as revenue in the government-wide financial statements.		3,746,263
Certain other long-term assets and liabilities are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Investment in joint venture		1,065,867
Net pension liability		(12,519,931)
Total OPEB liability		(50,578)
Deferred outflows of resources related to the net pension liability		3,350,452
Deferred inflows of resources related to the net pension liability		(1,243,281)
Deferred outflows of resources related to the total OPEB liability		441,191
Deferred inflows of resources related to the total OPEB liability		(1,143,701)
Net Position of Governmental Activities	$	92,815,035

The accompanying notes are an integral part of these financial statements.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Debt Service	American Rescue Plan
REVENUES			
Property taxes	$ 22,770,484	$ 1,455,724	$ -
Sales and mixed beverage taxes	10,481,239	-	-
Franchise taxes	1,860,182	-	-
Hotel occupancy tax	-	-	-
Fines and forfeitures	300,510	-	-
Licenses, permits and fees	2,311,658	-	-
Intergovernmental	364,113	-	512,530
Investment earnings	2,283,503	38,048	118,460
Miscellaneous	764,621	-	-
Total revenues	41,136,310	1,493,772	630,990
EXPENDITURES			
Current:			
General government	5,366,423	-	-
Public safety:			
Police	12,625,551	-	279,739
Fire	9,210,699	-	-
Public works	8,023,552	-	-
Finance	2,076,402	-	-
Neighborhood and planning	952,342	-	-
Parks and recreation	4,000,762	-	-
Debt service:			
Principal	64,257	855,000	-
Interest and other	8,659	631,106	-
Capital outlay	864,202	-	232,789
Total expenditures	43,192,849	1,486,106	512,528
Excess (deficiency) of revenues over (under) expenditures	(2,056,539)	7,666	118,462
OTHER FINANCING SOURCES (USES)			
Issuance of leases	342,711	-	-
Insurance recoveries	141,513	-	-
Transfers in	2,897,934	-	-
Transfers out	(466,485)	-	-
Total other financing sources (uses)	2,915,673	-	-
NET CHANGE IN FUND BALANCES	859,134	7,666	118,462
FUND BALANCES - BEGINNING	23,464,308	587,489	361,732
FUND BALANCES - ENDING	$ 24,323,442	$ 595,155	$ 480,194

The accompanying notes are an integral part of these financial statements.

Bond Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 24,226,208
-	-	10,481,239
-	-	1,860,182
-	1,077,731	1,077,731
-	354,131	654,641
-	1,376,487	3,688,145
-	152,265	1,028,908
660,559	109,854	3,210,424
-	56,734	821,355
660,559	3,127,202	47,048,833
-	712,396	6,078,819
-	408,403	13,313,693
-	806	9,211,505
-	218,108	8,241,660
-	750	2,077,152
-	-	952,342
-	75,504	4,076,266
-	-	919,257
-	-	639,765
88,832	1,082,492	2,268,315
88,832	2,498,459	47,778,774
571,727	628,743	(729,941)
-	-	342,711
-	-	141,513
-	481,891	3,379,825
-	(1,849,877)	(2,316,362)
-	(1,367,986)	1,547,687
571,727	(739,243)	817,746
7,806,264	14,115,951	46,335,744
$ 8,377,991	$ 13,376,708	$ 47,153,490

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CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Changes in Fund Balances - Governmental Funds	$	817,746
Amounts reported for governmental activities in the statement of activities are		
Governmental funds report capital outlays as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Capital outlay		2,551,374
Depreciation expense		(3,327,662)
Internal service funds are used to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities, plus $143,377 representing the proportional contributions by business-type activities.		148,177
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		
Unavailable property taxes		18,059
Unavailable emergency management revenues		(2,425)
Unavailable cell tower leases		(84,955)
Unavailable grant revenue		(32,608)
Unavailable paving assessments		(715)
Unavailable court fines and fees		(35,494)
Change in equity interest of joint venture		(4,514)
Governmental funds report proceeds from long-term debt as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of long-term debt principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		
Debt service principal		919,257
Pension and OPEB contributions are treated as expenditures in the fund based financial statements, but are treated as reductions in the City's net pension and OPEB liability in the statement of net position. This amount is the difference between pension and OPEB contributions and net pension and OPEB expense (revenue) for the current fiscal year.		
Pension expense		(8,189,642)
OPEB expense		705,232
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Issuance of leases		(342,711)
(Increase) decrease in accrued interest		3,207
(Increase) decrease in compensated absences		(1,317,902)
Amortization of premium on bonds		61,903
Change in Net Position of Governmental Activities	$	(8,113,673)

The accompanying notes are an integral part
of these financial statements.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds	
	Utility	Solid Waste
ASSETS		
Current assets:		
Cash and investments	$ 16,301,029	$ 1,194,544
Accounts receivable, net	3,002,818	695,909
Due from other governments	186,675	-
Prepaid items	465	-
Due from other funds	2,355,669	-
Total current assets	21,846,656	1,890,453
Noncurrent assets:		
Restricted cash and investments	843,019	-
Capital assets:		
Land	89,194	-
Construction in progress	1,021,497	-
Improvements	881,943	-
Buildings	10,779,859	-
Water and sewer systems	68,199,903	-
Drainage systems	4,802,361	-
Equipment and furniture	3,376,375	6,100
Right-to-use equipment	18,811	-
Less: accumulated depreciation	(39,836,763)	(5,977)
Total noncurrent assets	50,176,199	123
Total assets	72,022,855	1,890,576
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension related	275,334	36,042
Deferred outflows - OPEB related	36,257	4,747
Total deferred outflows of resources	311,591	40,789
LIABILITIES		
Current liabilities:		
Accounts payable	918,847	294,814
Accrued liabilities	167,398	59,053
Due to other funds	-	-
Customer deposits	843,019	-
Leases	3,651	-
Compensated absences	19,829	2,839
Unearned revenue	72,359	15,483
Total OPEB liability	3,252	426
Total current liabilities	2,028,355	372,615
Noncurrent liabilities:		
Leases	11,633	-
Compensated absences	263,445	37,725
Net pension liability	1,028,864	134,683
Total OPEB liability	904	118
Total noncurrent liabilities	1,304,846	172,526
Total liabilities	3,333,201	545,141
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension related	102,171	13,374
Deferred inflows - OPEB	93,987	12,303
Total deferred inflows of resources	196,158	25,677
NET POSITION		
Net investment in capital assets	49,317,896	123
Unrestricted	19,487,191	1,360,424
Total net position	$ 68,805,087	$ 1,360,547
Adjustment to report the cumulative internal balance for the net effect of the activity between the ISF's and the enterprise funds		
Net position of business-type activities		

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Fieldhouse Sports Facility	Total	Internal Service Funds
$ 1,323,059	$ 18,818,632	$ 2,660,327
88,932	3,787,659	12,000
-	186,675	-
-	465	-
-	2,355,669	-
1,411,991	25,149,100	2,672,327
-	843,019	-
478,436	567,630	-
-	1,021,497	-
637,702	1,519,645	-
6,885,470	17,665,329	-
-	68,199,903	-
-	4,802,361	-
1,207,127	4,589,602	14,619,828
11,175	29,986	-
(3,965,278)	(43,808,018)	(10,576,546)
5,254,632	55,430,954	4,043,282
6,666,623	80,580,054	6,715,609
53,878	365,254	-
7,095	48,099	-
60,973	413,353	-
186,792	1,400,453	149,296
30,947	257,398	-
2,355,669	2,355,669	-
67,901	910,920	-
2,169	5,820	-
5,230	27,898	-
61,383	149,225	-
636	4,314	-
2,710,727	5,111,697	149,296
6,911	18,544	-
69,485	370,655	-
201,330	1,364,877	-
177	1,199	-
277,903	1,755,275	-
2,988,630	6,866,972	149,296
19,993	135,538	-
18,392	124,682	-
38,385	260,220	-
5,245,552	54,563,571	4,043,282
(1,544,971)	19,302,644	2,523,031
$ 3,700,581	73,866,215	$ 6,566,313
	91,168	
	$ 73,957,383	

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Utility	Solid Waste	Fieldhouse Sports Facility
OPERATING REVENUES			
Charges for services	$ 22,567,419	$ 5,033,912	$ 1,439,360
Miscellaneous	62,682	-	82,984
Total operating revenues	22,630,101	5,033,912	1,522,344
OPERATING EXPENSES			
Water supply and wastewater treatment	13,966,021	-	-
Refuse collection	-	4,687,277	-
Administrative charges	1,888,285	-	-
Sports facility	-	-	1,655,859
Claims and provision	-	-	-
Equipment	512,905	65,846	-
Depreciation	1,655,936	26	307,139
Total operating expenses	18,023,147	4,753,149	1,962,998
Operating income (loss)	4,606,954	280,763	(440,654)
NON-OPERATING REVENUES (EXPENSES)			
Insurance recoveries	-	-	-
Gain (loss) on disposal of property	(151,833)	-	-
Intergovernmental	353,967	-	537,950
Investment income	358,233	-	-
Interest expense	(475)	-	32,001
Total non-operating revenues (expenses)	559,892	-	569,951
INCOME (LOSS) BEFORE TRANSFERS	5,166,846	280,763	129,297
Transfers in	-	-	1,425,000
Transfers out	(2,495,863)	(200,000)	-
CHANGE IN NET POSITION	2,670,983	80,763	1,554,297
NET POSITION - BEGINNING	66,134,104	1,279,784	2,146,284
NET POSITION - END OF YEAR	$ 68,805,087	$ 1,360,547	$ 3,700,581
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			
Change in net position of business-type activities			

The accompanying notes are an integral part of these financial statements.

	Governmental Activities
Total	Internal Service Funds
$ 29,040,691	$ 1,589,310
145,666	-
29,186,357	1,589,310
13,966,021	-
4,687,277	-
1,888,285	371,050
1,655,859	-
-	772,175
578,751	-
1,963,101	1,043,547
24,739,294	2,186,772
4,447,063	(597,462)
-	39,752
(151,833)	355,110
891,917	-
358,233	-
31,526	-
1,129,843	394,862
5,576,906	(202,600)
1,425,000	207,400
(2,695,863)	-
4,306,043	4,800
69,560,172	6,561,513
73,866,215	$ 6,566,313
(143,377)	
$ 4,162,666	

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds	
	Utility	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 22,868,939	$ 5,047,656
Receipts from interfund charges for services	-	-
Payments to suppliers	(14,574,641)	(4,367,068)
Payments to employees	(1,212,464)	(312,443)
Net cash provided (used) by operating activities	7,081,834	368,145
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash paid to other funds	(3,601,532)	(200,000)
Cash received from other funds	-	-
Intergovernmental	353,967	-
Net cash provided (used) by noncapital financing activities	(3,247,565)	(200,000)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,241,846)	-
Issuance of long-term debt	18,811	-
Principal and interest on long-term debt	(4,002)	-
Disposal of capital assets	(151,833)	-
Net cash provided (used) by capital and related financing activities	(1,378,870)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	358,233	-
Net cash provided by investing activities	358,233	-
Net (decrease) increase in cash and cash equivalents	2,813,632	168,145
Cash and cash equivalents, beginning of year:		
Cash and cash equivalents	7,532,131	648,453
Restricted cash and cash equivalents	7,115,695	-
Total cash and cash equivalents, beginning of year	14,647,826	648,453
Cash and cash equivalents, end of year:		
Cash and cash equivalents	16,301,029	1,194,544
Restricted cash and cash equivalents	843,019	-
Total cash and cash equivalents, end of year	$ 17,144,048	$ 1,194,544
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ 4,606,954	$ 280,763
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,655,936	26
Decrease (increase) in customer receivable	223,973	13,744
Decrease (increase) in due from other governments	(186,675)	-
Decrease (increase) in prepaid items	(465)	-
Decrease (increase) in net pension asset	509,994	67,538
Increase (decrease) in pension and OPEB related def. outflows	141,157	17,799
Increase (decrease) in accounts payable	91,425	(4,653)
Increase (decrease) in accrued liabilities	(126,889)	(45,703)
Increase (decrease) in customer deposits	14,865	-
Increase (decrease) in unearned revenue	-	-
Increase (decrease) in compensated absences	191,056	32,963
Increase (decrease) in total OPEB liability	(81,039)	-
Increase (decrease) in pension and OPEB related def. inflows	41,542	5,668
Net cash provided (used) by operating activities	$ 7,081,834	$ 368,145

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Fieldhouse Sports Facility	Total	Internal Service Funds
$ 1,525,365	$ 29,441,960	$ -
-	-	1,618,798
(627,554)	(19,569,263)	(1,059,379)
(717,242)	(2,242,149)	-
180,569	7,630,548	559,419
-	(3,801,532)	-
2,530,669	2,530,669	207,400
537,950	891,917	-
3,068,619	(378,946)	207,400
(1,413,485)	(2,655,331)	(1,758,540)
11,175	29,986	-
(536,196)	(540,198)	-
-	(151,833)	455,203
(1,938,506)	(3,317,376)	(1,303,337)
-	358,233	-
-	358,233	-
1,310,682	4,292,459	(536,518)
2,540	8,183,124	3,849,220
-	7,115,695	-
2,540	15,298,819	3,849,220
1,323,059	18,818,632	2,660,327
-	843,019	-
$ 1,323,059	$ 19,661,651	$ 2,660,327
$ (440,654)	$ 4,447,063	$ (597,462)
307,139	1,963,101	1,043,547
(6,029)	231,688	29,488
-	(186,675)	-
-	(465)	647,079
101,825	679,357	-
25,852	184,808	-
142,866	229,638	(563,233)
(1,637)	(174,229)	
1,269	16,134	-
7,781	7,781	-
48,948	272,967	-
(15,525)	(96,564)	-
8,734	55,944	-
$ 180,569	$ 7,630,548	$ 559,419

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I. Summary of Significant Accounting Policies

The City of Duncanville (the "City") was incorporated on August 2, 1947. The City operates as a home-rule charter city since May 5, 1962, pursuant to Article XI, Section 5 of the State Constitution. The City operates under a council-manager form of government with a mayor and six City Council members. Five Council Members are elected from single-member districts with the Mayor and one Council Member elected at large. The City provides the following services as authorized by its charter: community services, police, fire, and public works.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies.

A. Reporting Entity

The accompanying financial statements present the government and its component unit, the Duncanville Community and Economic Development Corporation (DCEDC), an entity for which the City is financially and operationally responsible for.

The DCEDC was incorporated on April 28, 1995, as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The Corporation is organized exclusively for benefiting and accomplishing public purposes of, and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. These purposes include the construction, renovation and operation of municipal buildings, the acquisition and improvement of parks, as well as the promotion and expansion of manufacturing and industrial facilities; and other economic development purposes. The DCEDC also provides services directly to the citizens of Duncanville. The DCEDC meets all three requirements sufficient to be considered a component unit (direct benefit, access to resources, and significance to the primary government). The DCEDC operates under a seven-member Board of Directors, all appointed by the City Council. The Board is substantially separate from the City Council, classifying the DCEDC as a discretely presented component unit. Discretely presented component units are reported in a separate column in the government-wide statements to emphasize it is legally separate from the City. Separate financial statements are not issued for the DCEDC.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its discretely presented component unit. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Governmental activities, which are partially supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

This statement demonstrates the degree to which the direct expenses of a given function of government are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of City government. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues in the statement of activities.

C. Fund Financial Statements

In addition to the government-wide financial statements, the City also reports separate financial statements for governmental funds and proprietary funds and these statements are classified as fund financial statements. The fund financial statements are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources available for spending, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The City of Duncanville maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, American Rescue Plan, and Bond Capital Projects Funds, which are considered to be major funds. Individual fund data for all non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are maintained for enterprise and internal service operations of the City. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The Utility, Solid Waste and Fieldhouse Sports Facility funds are all considered to be major enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for medical insurance, general liability operations, fleet/heavy equipment capital replacement, and information technology equipment. The internal service funds predominately benefit governmental rather than business-type functions, so they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Combining and Individual Fund Statements and Schedules* section of this report. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. With the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) are reported on the Statement of Net Position.

As a general rule, except for interfund services provided and used which are not eliminated in the process of consolidation, the effect of other interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers for goods or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary operations are charges to customers for sales and services. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses. Unbilled receivables for water and sewer services are recorded at year-end.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. Measurable means the amount of the transaction can be determined. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the fiscal year-end. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, with the exception of principal and interest on general long-term debt, and liabilities for accrued compensated absences and arbitrage rebate, which are recognized when due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund - This fund accounts for the accumulation of resources (primarily property tax levies) for the payment of principal, interest and related costs of general long-term debt.

American Rescue Plan Fund - This fund accounts for federal grant funding related to the City's State and Local Fiscal Recovery grant program, which aids with costs incurred during and as a result of the COVID-19 Pandemic.

Bond Capital Projects Fund - This fund accounts for capital projects in parks and recreation, streets and sidewalks, and municipal buildings improvements funded by bond proceeds.

The City reports the following major enterprise funds:

Utility Fund - This fund accounts for water services provided to residents and businesses of the City, including administration, operations, maintenance, debt service, billing and collection.

Solid Waste Fund - This fund accounts for revenues and expenses of sanitation services provided to the residents and businesses of the City, including administration, operations, maintenance, debt service, billing and collection.

Fieldhouse Sports Facility Fund - This fund accounts for the rendering of sporting league, tournament, and event services for the residents and non-residents.

E. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Encumbrances

An encumbrance system is maintained in governmental funds to account for commitments resulting from approved purchase orders, contracts, or other forms of legal commitments. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances do not constitute expenditures or liabilities. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying financial statements. There were no encumbrances for the City at fiscal year-end.

Pooled Cash and Investments

Cash balances of all City funds are pooled into one bank account in order to maximize investment opportunities. Negative balances, if applicable, incurred in pooled cash at year-end are treated as inter-fund receivables of a surplus fund and inter-fund payables of the deficit fund.

Investments purchased with pooled cash are treated as pooled cash and investments. Earnings from these investments are allocated monthly to each fund based on that fund's relative month-end cash and investment balance. Investments are recorded at cost; however, fiscal year-end investments with maturities greater than one year are reflected at fair value on the accompanying statement of net position.

The relationship of an individual fund to the pooled cash and investments account is essentially that of a demand deposit account. Individual funds can withdraw cash from the account as needed, and therefore all equity which the fund has in the pooled cash and investments account is highly liquid. For purposes of the accompanying statement of cash flows, the City has chosen to reconcile to "pooled cash and investments."

Cash and Cash Equivalents

The City's cash and cash equivalents are considered short-term, highly liquid investments with a maturity date within three months of the date acquired that are readily convertible to known amounts of cash and so near maturity that there is not significant risk of changes in value due to changes in interest rates.

Investments

Investments consist of balances in privately managed public funds investment pools, investments in United States (U.S.) securities and U.S. Agency securities, municipal bonds, and certificates of deposit. Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Public Funds Investment Pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act Chapter 79 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act (the Act) Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Property Taxes

Ad valorem taxes are levied from valuations assessed as of January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within 60 days of the fiscal year are recorded as deferred revenue and are recognized when it becomes available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenue and recognized as revenue of the period to which they apply. Current taxes are due on October 1 and become delinquent if unpaid on February 1 and are turned over to the City Attorney for collection on July 1. Delinquent property taxes attach as an enforceable lien on property as of January 1. For the year ended September 30, 2025, the City had a tax rate of $.614834 per $100, of which $.577487 was allocated for maintenance and operations, and $.037347 was allocated for payment of principal and interest on governmental activities long-term debt.

Receivables

Taxes and accounts receivable are shown net of an allowance for the uncollectible. Accounts receivable in excess of 90 days comprise the allowance for the uncollectible. The property tax receivable allowance is equal to 72 percent of outstanding property taxes as September 30, 2025.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services provided and used, are recorded as transfers.

Prepaid Items

Prepaid items represent payments for goods and services that were made in advance of receiving those goods or services. Prepaid items are valued under the consumption method, whereby they are recorded as expenditures or expenses when used rather than when purchased.

Restricted Assets

Certain proceeds from bonds, resources set aside for their repayment, and other restrictive agreements are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants and/or contractual arrangements.

Capital Assets

Capital assets, which include land, buildings, infrastructure, improvements, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets capitalized have an original cost of $5,000 or more and a useful life of at least two years. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Use Lives (Years)
Buildings	25 - 50
Infrastructure/improvements	7 - 50
Equipment	2 - 20
Water rights	50
Right-to-use assets	Agreement term

Estimated Claims Payable

Property, general liability, and workers' compensation insurance coverage is accounted for in the Comprehensive Self Insurance Fund, an internal service fund. At year-end, the estimated settlement value of claims reported and of claims incurred but not reported in excess of liability insurance limits is classified as estimated claims payable. Group health insurance is accounted for in the Medical Self-Insurance Fund, another internal service fund. At year-end, an estimate of unpaid claims that were incurred prior to September 30, 2025, is accrued based on past claims experience.

Compensated Absences

The City permits employees to accumulate to certain limits unused vacation, sick leave and compensatory time. Full-time city employees earn sick leave at a rate of 8 hours per month. City employees earn vacation based on length of service. Full-time employees earn vacation leave as outlined below:

New Hire	6.66 hours per month	Maximum 160 hours balance
4 yrs of continuous employment	10 hours per month	Maximum 240 hours balance
9 yrs of continuous employment	13.32 hours per month	Maximum 320 hours balance

Employees reaching the maximum vacation hour balance shall cease to accrue time until the balance has been reduced below the maximum. Full-time employees receive 32 hours of bonus vacation if the employee uses no sick leave during his/her anniversary year. Full-time employees receive 16 hours of bonus vacation if the employee uses eight (8) or less hours of sick leave during his/her anniversary year. Full-time employees using more than eight (8) hours of sick leave during his/her anniversary year are not eligible to receive bonus vacation. Any employee leaving the City in good standing is paid for accumulated vacation leave at their current pay rate. Sick leave may be accumulated from year to year, but only civil service employees are eligible to receive payment (for up to 90 days accumulation) upon retirement or termination.

The measurement of the liability for compensated absences is the amount of the leave balances more likely than not to be used based on historical data. No liability is recorded in the governmental fund statements as payment of this liability will not be made with expendable available financial resources. Compensated absences are only reported in the governmental funds statements if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). In the government-wide financial statements and proprietary fund statements, the liability for employees with over 20 years of service is recorded as a current liability as these employees are eligible for retirement regardless of their age.

Unearned Revenue

Unearned revenue is reported when cash is received before the related performance or eligibility requirements are met. These relate primarily to the grant funds received in advance for the COVID-19 ARPA grant, which will be recognized in future years to the extent that funds are spent. The City also reports unearned revenue for facility rental payments received before the rental is used.

Long-term Debt

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds if material in amount. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt is recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and uses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period(s) and thus, will not be recognized as an outflow of resources (expense) until that time. The City has three items that qualify for reporting in this category.

- Deferred charges on refunding - Reported in the proprietary fund and government-wide financial statements, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows of resources for pension activities - Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan. These outflows are included in the deferred amounts for post-employment benefits on the statement of net position.

- Deferred outflows of resources for OPEB - These deferred outflows result from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of changes in assumptions and other inputs. The deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the next fiscal year. The other OPEB related outflow will be amortized over the expected remaining service lives of all employees (active and inactive employees) who are provided with OPEB benefits, which is currently between 5.75 and 8.5 years, depending on the plan. These outflows are included in the deferred amounts for post-employment benefits on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and thus, will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category.

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues if they are not collected within 60 days of the fiscal year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Deferred inflows of resources for pensions and OPEB - Reported in the government wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five-year period. These outflows are included in the deferred amounts for post-employment benefits on the statement of net position.

Leases

The City has entered into various lease agreements as lessor and lessee. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

- The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lessor. The City is a lessor in various arrangements allowing the placement of cellular towers on City property. The city initially measures the lease receivable and a deferred inflow of resources for the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is recognized as revenue on a systematic basis over the life of the lease.

Lessee. The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements and proprietary fund financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefits Payments and refunds are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability (Asset) is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company.

Other Post-Employment Benefits

The City provides a retiree health care plan for its employees who are eligible for benefits through the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained through a report prepared for the City by the consulting actuary, Gabriel Roeder Smith & Company.

Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Council delegates the authority for determining this intent to the City Manager. Assignments are made at the City Manager's discretion but generally represent items for which specific funds have been informally dedicated internally. This classification also includes the remaining positive fund balance for all governmental funds except the General Fund.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

The City will maintain a minimum fund balance equal to sixty days of the total operating expenditures of the General Fund.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Change in Accounting Principle

During fiscal year 2025, the City adopted GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

II. Detailed Notes on All Funds

A. Cash and Investments

As of September 30, 2025, the City's investments included privately managed public funds investment pools, investments in United States (U.S.) securities and U.S. Agency securities, municipal bonds, and certificates of deposit. The investment pools are recorded at amortized costs and the remaining investments are recorded at their fair value measured with level 2 inputs.

The City participates in the Texas Local Government Investment Pool ("TexPool"), and the Local Government Investment Cooperative (LOGIC). TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexPool is governed by an Advisory Board composed equally of participants in the Pool and other persons who do not have a business relationship with the Pool who are qualified to advise the Pool. LOGIC is a public funds investment pool managed by First Southwest Management Company. LOGIC investments are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the City is not issued securities but rather owns an individual beneficial interest in the assets of the related investment pools. Investments in external investment pools are measured at the net asset value (NAV) per share (or its equivalent) determined by the pool. These investments and deposits are fully insured by the Federal Depository Insurance Corporation or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company. Authorized investments include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit and repurchase agreements.

Credit Risk

In compliance with the City's investment policy as of September 30, 2025, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers/dealers, and advisors with which the City does business, and diversifying the investment portfolio so that potential losses on individual securities are minimized.

The following is a list of investments held as of September 30, 2025:

	Recorded Value	Weighted Average Maturity (Days)
Primary Government		
Local Government Investment Pools:		
LOGIC	$ 3,402,948	52
Texpool	1,385,134	44
Total Primary Government Investment Pools	4,788,082	
Investment Securities:		
Certificates of Deposit	21,354,985	219
Money Market	28,573,766	1
Total Investment Securities	49,928,751	
Total Primary Government	$ 54,716,833	
Discretely Presented Component Unit		
Certificates of Deposit	$ 2,218,573	44
Total Discretely Presented Component Unit	$ 2,218,573	

Interest Rate Risk

The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell a security prior to maturity. Should it become necessary to sell a security prior to maturity, the prior written consent of the City Manager must be obtained.

Concentration of Credit Risk

The City's investment policy does not provide for specific limits on investment in any one single instrument. The allocation of assets is set with the objective of optimizing the investment return within framework of acceptable risk and diversification.

B. Ad Valorem Taxes

Property tax is levied October 1 of each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraised value less applicable exemptions authorized by the City Council. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value. The assessed value for the tax roll of January 1, 2025, upon which the 2025 fiscal year levy was based, was $3,874,215,664.

Taxes are due on October 1, immediately following the January 1 lien date and are delinquent after the following January 31. Penalty and interest are charged at 7% on delinquent taxes beginning February 1, and increases to 18% on July 1, additional interest accrues at the rate of 1% each month thereafter. As of July 1, a 20% collection cost may be added to all delinquent accounts.

In Texas, countywide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

C. Receivables

Accounts receivable as of September 30, 2025, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	Nonmajor Governmental	Utility	Solid Waste	Fieldhouse	Self Insurance	Total Primary Government	DCEDC (Component Unit)
Receivables:									
Accounts	$2,086,314	$ -	$ 220,504	$4,279,026	$ 973,410	$ 88,932	$ 12,000	$ 7,660,186	$ 606,989
Leases	2,218,720	-	-	-	-	-	-	2,218,720	-
Ad valorem taxes	1,258,372	107,645	-	-	-	-	-	1,366,017	-
Other taxes	2,448,356	-	86,478	-	-	-	-	2,534,834	-
Court fines	2,184,581	-	-	-	-	-	-	2,184,581	-
Gross receivables	10,196,343	107,645	306,982	4,279,026	973,410	88,932	12,000	15,964,338	606,989
Less: allowance for uncollectible accounts	(3,561,408)	(77,003)	(50,225)	(1,276,208)	(277,501)	-	-	(5,242,345)	-
Net receivables	$6,634,935	$ 30,642	$ 256,757	$3,002,818	$ 695,909	$ 88,932	$ 12,000	$ 10,721,993	$ 606,989

D. Lease Receivable

The City has entered into multiple leases as lessor for the placement of cellular antennas on City property by a telecommunication company. The lessee is required to make monthly payments ranging from $13,223 to $13,620.

A summary of the City's lease receivables as of September 30, 2025, is as follows:

Purpose of the Lease	Interest Rate	Amount of Initial Receivable	Current Year Interest	Amount Outstanding 09/30/25	Amount Receivable Within One Year
Cell towers	3.8 - 3.9%	$ 2,380,386	$ 86,961	$ 2,218,720	$ 93,515
Totals			$ 86,961	$ 2,218,720	$ 93,515

E. Deferred Inflows of Resources

As of September 30, 2025, the City's individual major and nonmajor funds in the aggregate reported the following as deferred inflows of resources:

	General	Debt Service	Nonmajor Governmental	Total
Unavailable revenue - property taxes	$ 333,050	$ 29,430	$ -	$ 362,480
Unavailable revenue - EMS	762,499	-	-	762,499
Unavailable revenue - court fines	344,363	-	-	344,363
Unavailable revenue - cell tower leases	2,218,720	-	-	2,218,720
Unavailable revenue - grants and other	-	-	7,901	7,901
Unavailable revenue - paving assessments	-	-	50,300	50,300
Totals	$ 3,658,632	$ 29,430	$ 58,201	$ 3,746,263

F. Capital Assets

Capital assets activity for the primary government for the fiscal year ended September 30, 2025, is as follows:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 21,139,703	$ -	$ -	$ 21,139,703
Construction in progress	6,020,480	958,573	(5,167,833)	1,811,220
Total capital assets not being depreciated	27,160,183	958,573	(5,167,833)	22,950,923
Capital assets being depreciated:				
Buildings	22,541,737	64,486	-	22,606,223
Infrastructure	69,170,795	2,353,301	-	71,524,096
Improvements	9,764,955	3,245,226	-	13,010,181
Equipment	33,728,037	2,513,450	(1,519,306)	34,722,181
Right-to-use equipment	-	342,711	-	342,711
Total assets being depreciated	135,205,524	8,519,174	(1,519,306)	142,205,392
Less accumulated depreciation for:				
Buildings	(7,508,397)	(460,227)	-	(7,968,624)
Infrastructure	(53,212,939)	(1,234,994)	-	(54,447,933)
Improvements	(4,324,566)	(300,886)	-	(4,625,452)
Equipment	(24,529,818)	(2,281,635)	1,458,965	(25,352,488)
Right-to-use equipment	-	(93,467)	-	(93,467)
Total accumulated depreciation	(89,575,720)	(4,371,209)	1,458,965	(92,487,964)
Total capital assets being depreciated, net	45,629,804	4,147,965	(60,341)	49,717,428
Governmental activities capital assets, net	$ 72,789,987	$ 5,106,538	$ (5,228,174)	$ 72,668,351

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 567,630	$ -	$ -	$ 567,630
Construction in progress	4,981,819	366,320	(4,326,642)	1,021,497
Total capital assets, not being depreciated	5,549,449	366,320	(4,326,642)	1,589,127
Capital assets being depreciated:				
Buildings	17,367,829	297,500	-	17,665,329
Infrastructure	63,023,047	5,176,856	-	68,199,903
Water rights	4,802,361	-	-	4,802,361
Improvements	1,519,645	-	-	1,519,645
Equipment	3,492,391	1,111,311	(14,100)	4,589,602
Right-to-use equipment	-	29,986	-	29,986
Total assets being depreciated	90,205,273	6,615,653	(14,100)	96,806,826
Less accumulated depreciation for:				
Buildings	(7,608,642)	(524,868)	-	(8,133,510)
Infrastructure	(28,327,543)	(1,135,354)	-	(29,462,897)
Water rights	(2,689,319)	(96,047)	-	(2,785,366)
Improvements	(292,726)	(39,163)	-	(331,889)
Equipment	(2,940,787)	(159,491)	14,100	(3,086,178)
Right-to-use equipment	-	(8,178)	-	(8,178)
Total accumulated depreciation	(41,859,017)	(1,963,101)	14,100	(43,808,018)
Total capital assets being depreciated, net	48,346,256	4,652,552	-	52,998,808
Business-type activities capital assets, net	$ 53,895,705	$ 5,018,872	$ (4,326,642)	$ 54,587,935

Capital assets activity for the discretely presented component unit is as follows:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 219,637	$ -	$ -	$ 219,637
Total capital assets not being depreciated	219,637	-	-	219,637
Capital assets being depreciated:				
Buildings	906,133	-	-	906,133
Equipment	-	12,898	-	12,898
Total assets being depreciated	906,133	12,898	-	919,031
Less accumulated depreciation for:				
Buildings	(116,290)	(18,123)	-	(134,413)
Equipment	-	(107)	-	(107)
Total accumulated depreciation	(116,290)	(18,230)	-	(134,520)
Total capital assets being depreciated, net	789,843	(5,332)	-	784,511
Capital assets, net	$ 1,009,480	$ (5,332)	$ -	$ 1,004,148

Depreciation

Depreciation expense was charged to functions/programs of the City as follows:

	Depreciation Expense
Primary government	
Governmental activities:	
General government	$ 536,725
Police	1,021,363
Fire	663,728
Development services	593,846
Financial services	149,668
Municipal court	68,620
Parks and recreation	293,712
Total Governmental activities	3,327,662
Internal service activites:	
Fleet replacement	1,043,547
Total government and internal service activities	$ 4,371,209
Business-type activities:	
Water and sewer	1,559,889
Water rights amortization	96,047
Fieldhouse	307,139
Solid Waste	26
Total Business-type activities	1,963,101
Total primary government	$ 6,334,310

Construction commitments

The City has active construction projects as of September 30, 2025. At year end, the City's commitments with contractors were as follows:

Projects	Remaining Commitment
Governmental activities	
Nonmajor governmental funds	$ 3,050,124
Total Governmental Commitments	$ 3,050,124
Business-type activities	
Utility fund	$ 556,507
Total Business-type Commitments	$ 3,606,631

G. Long-term Liabilities

Changes in the City's long-term liability activity for the year ended September 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:					
General obligation bonds	$ 17,300,000	$ -	$ (855,000)	$ 16,445,000	$ 890,000
Premium on bonds	892,437	-	(61,903)	830,534	-
Leases	-	342,711	(64,257)	278,454	66,472
Compensated absences	4,135,845	1,317,902	-	5,453,747	381,762
Total governmental activities	$ 22,328,282	$ 1,660,613	$ (981,160)	$ 23,007,735	$ 1,338,234
Business-type activities:					
General obligation bonds	$ 530,000	$ -	$ (530,000)	$ -	$ -
Premium on bonds	38,246	-	(38,246)	-	-
Leases	-	29,986	(5,622)	24,364	5,820
Compensated absences	125,586	272,967	-	398,553	27,898
Total business-type activities	$ 693,832	$ 302,953	$ (573,868)	$ 422,917	$ 33,718

The current year activity related to the compensated absences liability is presented as a net change.

General Obligation Bonds

General obligation bonds and certificates of obligation for Governmental Activities outstanding as of September 30, 2025, consist of the following individual issues:

General Obligation Bonds:	Interest Rate	Final Maturity Date	Outstanding 09/30/25
2019 General Obligation	3.0 - 5.0%	2/15/39	$ 16,445,000
Total general obligation bonds			$ 16,445,000

The annual debt service requirements to maturity on general obligation bonds as of September 30, 2025, are as follows:

	Governmental Activities	
Fiscal Year	Principal	Interest
2026	$ 890,000	$ 308,866
2027	935,000	286,616
2028	980,000	263,241
2029	1,030,000	238,741
2030	1,080,000	212,991
2031-2035	5,990,000	759,856
2036-2039	5,540,000	240,500
Total	$ 16,445,000	$ 2,310,811

Leases

In October 2024, the City entered into a 60-month lease for the use of copy machines. The City is required to make monthly fixed payments of $6,408, with an interest rate of 3.04%. Additionally, there are monthly other reasonably certain payments of $300. The equipment had estimated useful life was 44 months as of the contract commencement.

Principal and interest requirements to maturity on the lease as of September 30, 2025 are as follows:

Year Ending	Governmental Activities		Business-Type Activities		Total	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 66,472	$ 7,544	$ 5,820	$ 660	$ 72,292	$ 8,204
2027	68,522	5,494	5,999	481	74,521	5,975
2028	70,634	3,382	6,184	296	76,818	3,678
2029	72,826	1,205	6,361	105	79,187	1,310
Total	$ 278,454	$ 17,625	$ 24,364	$ 1,542	$ 302,818	$ 19,167

H. Interfund Balances and Transfers

Due to/from Other Funds

The composition of interfund balances outstanding as of September 30, 2025, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Utility	Fieldhouse Sports Facility	$ 2,355,669	To correct negative cash balance

Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2025, is as follows:

Transfer From	Transfer To	Amount	Purpose
General	Internal Service	$ 207,400	To fund capital projects
General	Nonmajor governmental	259,085	To fund capital projects
Nonmajor governmental	Nonmajor governmental	22,806	To fund capital projects
Solid Waste	Nonmajor governmental	200,000	To fund capital projects
Nonmajor governmental	General	402,071	To supplement administrative costs
Utility	General	2,495,863	To supplement administrative costs
Nonmajor governmental	Fieldhouse Sports Facility	1,425,000	To fund capital projects
Total		$ 5,012,225	

I. Employee Retirement System

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at *www.tmrs.com*.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2025, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2025, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	5
Service retirement eligibility:	20 years at any age, 5 years at age 60 and above
Updated service credit:	50% Repeating
Annuity increase to retirees:	30% of CPI Non-retroactive
Supplemental death benefit - employees and retirees	No

The employer contribution rate cannot exceed a statutory maximum rate, which is based on a combination of the employee contribution rate and the City matching percentage. There is an optional higher maximum rate that may be applied in certain circumstances if elected by participating cities, or a city may elect to remove the maximum rate.

Employees covered by benefit terms

As of the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	299
Inactive employees entitled to but not yet receiving benefits	287
Active employees	269
Total	855

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching ratios are either 1:1(1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.04% and 15.08% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for pension benefits for the year ended September 30, 2025, were $3,283,240 and were equal to the required contributions.

Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are assumed to occur once a year on January 1 so that the pay used for the period year following the valuation is equal to the reported pay for the prior year. Salaries are assumed to increase on a graduated service-based scale.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.1%
Core fixed income	6%	5.0%
Non-core fixed income	6%	6.8%
Private debt	13%	8.2%
Other Public and Private Markets	4%	7.3%
Real estate	12%	6.7%
Infrastructure	6%	6.0%
Hedge Funds	5%	6.4%
Private equity	13%	8.5%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statue. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability/(Asset)

	Increase (Decease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2023	$ 131,137,471	$ 124,208,123	$ 6,929,348
Changes for the year:			
Service cost	3,280,595	-	3,280,595
Interest	9,302,808	-	9,302,808
Change in benefits terms including substantively automatic status	9,636,115		9,636,115
Difference between expected and actual experience	1,358,442	-	1,358,442
Contributions - employer	-	2,274,666	(2,274,666)
Contributions - employee	-	1,585,923	(1,585,923)
Net investment income	-	12,846,617	(12,846,617)
Benefit payments, including refunds of employee contributions	(9,189,023)	(9,189,023)	-
Administrative expense	-	(82,770)	82,770
Other changes	-	(1,936)	1,936
Net changes	14,388,937	7,433,477	6,955,460
Balance at 12/31/2024	$ 145,526,408	$ 131,641,600	$ 13,884,808

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The net pension liability attributable to the governmental activities will be liquidated primarily by the General Fund.

The following presents the net pension liability/(asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability/(asset)	$ 32,010,263	$ 13,884,808	$ (1,149,108)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of $12,363,961.

As of September 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 953,552	$ 7,000
Changes in actuarial assumptions	-	280,849
Difference between projected and actual investment earnings	-	1,090,970
Contributions subsequent to the measurement date	2,762,154	-
Total	$ 3,715,706	$ 1,378,819

$2,762,154 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	
2026	$ 419,821
2027	2,046,983
2028	(1,999,556)
2029	(892,515)

J. Other Post-Employment Benefits

Retiree Health Plan

Plan Description

The City offers its retired employees health insurance benefits through a single employer defined benefit OPEB plan, under City policy. This plan is administered by the City, and it has the authority to establish and amend the benefit terms and financing arrangements. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

In addition to the pension benefits described in Note I, the City makes postretirement health care benefits available to all employees who retire from the City and who qualify to receive pension disbursements from Texas Municipal Retirement System (TMRS) through a single- employer defined benefit healthcare plan. The benefits are provided to the retired employee and dependents under the same plan as active employees in accordance with State law. The retiree pays premiums for the retiree and dependents monthly. The City's contributions to the plan for the year ended September 30, 2025, were $43,885, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	0
Active employees	242
Total	247

Actuarial Assumptions

The City's Total OPEB Liability ("TOL") was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Inflation rate	2.50%
Actuarial cost method	Individual Entry Age Normal
Discount rate	4.08%
Projected salary increases	3.60% to 11.85% including inflation

Changes in Total OPEB Liability

Changes in Total OPEB Liability	
Total OPEB Liability - Beginning	$ 1,137,750
Changes for the year:	
Service cost	91,528
Changes in benefit terms	(909,563)
Interest on total OPEB liability	43,791
Differences between expected and actual experience	(263,723)
Changes in assumptions or other inputs	193
Benefit payments	(43,885)
Net Changes in Total OPEB Liability	(1,081,659)
Total OPEB Liability - Ending	$ 56,091

Sensitivity Analysis

The following presents the total OPEB liability of the employer, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current rate.

1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
$ 57,065	$ 56,091	$ 55,154

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

1% Decrease	Current Trend Rate Assumption	1% Increase
$ 54,407	$ 56,091	$ 57,842

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity

For the year ended September 30, 2025, the City recognized OPEB expense of $756,123.

As of September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual economic experience	$ 294,083	$ 1,058,053
Difference in assumption changes	175,210	210,330
Employer contributions subsequent to the measurement date	19,997	-
Totals	$ 489,290	$ 1,268,383

The $19,997 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2026. Amounts currently reported as deferred outflows and inflows of resources related to OPEBs, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2026	$ (4,753)
2027	(96,866)
2028	(221,547)
2029	(200,495)
2030	(142,778)
Therafter	(132,651)

K. Commitments and Contingencies

City of Dallas Water Purchase Agreement

In 2014, the City entered into a thirty-year agreement to purchase treated water from the City of Dallas. The rate during fiscal 2025 was $0.5663 per 1,000 gallons plus an annual demand charge of $356,978 for each million gallons per day as established by the rate of flow controller setting (currently 9.5 million gallons at $3,391,291 annually).

Trinity River Authority Sewage Disposal Agreement

In November 1983, the City and other area municipalities entered into a contract with the Trinity River Authority (the "Authority") for utilization of the Authority's sewer transmission and treatment facilities. Under the contract, the City is required to pay a portion of the annual cash requirement to operate the facility determined by dividing the actual number of gallons discharged into the system by the City by the total number of gallons discharged by all of the participating cities. Accordingly, the future obligations of the City in connection with the contract cannot be estimated since payment varies in direct relationship to gallons discharged. The City has no ownership interest in the Authority or in conjunction with other participating cities.

Total payments made by the City under the contract amounted to $6,242,779 for 2025. The payments are reflected in the accompanying statement of revenues, expenses and changes in net position of the Utility Fund. Under the terms of the contract, the City is obligated to make payments for the use of the facilities for the life of the facilities. Further, the revenues of the Public Utility Fund are pledged to support payments due to the Authority in accordance with the terms of the contract. Such payments are considered operating expenses and, therefore, have priority over principal and interest due on revenue bonds.

Lakeview Regional Water Supply Contract

The City and the Cities of Grand Prairie and Cedar Hill entered into a contract with TRA, dated February 27, 1985, in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate a water treatment plant, transmission and storage facilities necessary to supply treated water from Joe Pool Lake to the cities. Water intake facilities were financed and constructed in 1986, but the treatment plant and transportation facilities have not been constructed. There are no current plans to construct the treatment plant and transportation facilities for the City necessary to use the raw water from Joe Pool Lake. Under the contract, the City is required to pay its proportionate share (based on a percentage of water usage) of maintenance and operation costs. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the intake facilities and other costs associated with the facility, were $13,437 this fiscal year.

Dallas Wastewater Treatment Contract

In 2014, the City entered into a thirty-year contract with the City of Dallas to transport and treat wastewater from an area in the northeastern part of the City. Under the contract, the City is required to pay a transportation charge (based on cost of service) and a treatment charge (at the same rate as Dallas is charged by TRA for treatment of the wastewater). The City's current payments for fiscal year 2025 were $340,836.

City of Duncanville Development Agreement with SWH Duncanville, LLC

The City agreed to rebate taxes to SWH Duncanville, LLC to construct a 65,000 sq. foot Hampton Inn and Suites Hotel. Beginning in FY 2020, the City agreed to rebate 5% of the hotel occupancy taxes generated by the facility up to $250,000. As of September 30, 2025, $250,000 has been abated.

State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. In the opinion of management of the City, disallowed costs, if any, would not be material.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the City purchased commercial insurance to cover these general liabilities from the Texas Municipal League Risk Pool ("TML"). The City pays an annual premium to TML for such coverage. TML purchases reinsurance and the City does not retain the risk of losses. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

Other Contingencies

There are other claims and pending actions incident to normal operations of the City. In the opinion of the City management and based on consultation with the City's attorney, the City's potential liability in these matters will not have a material impact on the financial statements.

L. Self-Insurance

The City established a comprehensive self-insurance plan for workers' compensation, property and casualty, and general liability coverage. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage. A third-party insurance company coinsures with the City for individual claim retention levels and corresponding policy limits as follows: $75,000/$1,000,000 for workers' compensation; $25,000/$62,755,356 for real and personal property; and $25,000/$2,000,000 for liability claims. All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded the aggregate policy limits in any of the past three fiscal years.

The claim liability reported in the comprehensive self-insurance fund is based on the requirements of GASB 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liability amount in fiscal years 2024 and 2025 were:

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2024	$ 87,950	$ 233,931	$ 208,707	$ 113,174
2025	113,174	302,862	274,933	141,103

Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid for each claimant. The provision for claims incurred but not yet reported is estimated based on City experience since the inception of the program. All claims are expected to be paid within one year. Premium payments are reported as inter-fund services provided and used; accordingly, they are treated as operating revenues of the Self-Insurance internal service fund and operating expenditures/expenses of the participating funds.

M. Joint Ventures

Southwest Regional Communications Center

The Southwest Regional Communications Center (the Center) provides police, fire, medical aid and emergency service communications to participating cities. The Center's Management Committee is comprised of each of the participating cities' City Manager or their designee. To date, the participating cities have been DeSoto, Duncanville, and Cedar Hill. The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City has a one-third share in the Center's residual equity excluding the building. The City's equity interest in the joint venture as of September 30, 2024, the most recent year for which information is available, was $461,063 and is reported in the government-wide *Statement of Net Position*.

Regional Animal Control Shelter

The City also entered into an annually renewable interlocal cooperation agreement with the cities of Cedar Hill and DeSoto on September 3, 1991, to establish a Regional Animal Control Shelter facility ("facility"). The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City has a one-third share in the equity of the facility, accounted for in the government-wide *Statement of Net Position*. The value of the City's share in the equity of the facility as of September 30, 2024, (the most recent year for which information is available) is $604,803. The financial statements of the facility can be obtained by contacting: City of Cedar Hill Finance Department, P. O. Box 96, Cedar Hill, TX 75106-0096.

Main Station

On April 25, 2003, MARA, as the General Partner, and the Andersons and the Duncanville Community Economic Development Corporation (DCEDC), as the Limited Partners, entered into the Main Station Agreement under and in accordance with the Texas Revised Limited Partnership Act, Article 6132a-1, of the Texas Revised Civil Statutes. Main Station houses retail and restaurant spaces in Duncanville. The DCEDC has a 32% share in the equity of Main Station, which qualifies as a joint venture and is accounted for in the government-wide *Statement of Net Position*. The value of DCEDC's share in Main Station as of September 30, 2025, is ($60,328). The financial statements can be obtained by contacting: Main Station, 111 E. Davis Street, Suite 101, Duncanville, Texas 75116.

N. Tax Abatements

The City's Economic Development Incentive Program, authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380, enables the City to provide grants or reimbursements from the City's General Fund or economic development corporation. The City will judge each project applying for incentives under the City's Economic Development Program based on 1) the amount of tax revenues the City expects to be generated by the operation of the commercial enterprise, 2) the extent of economic enhancement and stimulation that the City will derive from location and/or operation of the commercial enterprise's business, 3) the number and quality of new employment opportunities which the City expects will result, directly and indirectly, from the operation of the commercial enterprise, and 4) the availability and priority of funding and resources the City currently has to participate in an incentive program.

Businesses that have an Economic Development Incentive agreement with the City are eligible to receive a reimbursement of property and/or sales and use taxes paid for the year if they have met the requirements outlined in the agreement by a certain date each year. Requirements generally include the construction or expansion of certain retail, manufacturing, or warehousing facilities within the City limits, and maintenance of employment levels on an ongoing basis. For the fiscal year ended September 30, 2025, the City did not rebate any property or sales taxes.

O. New Accounting Guidance

Significant new accounting guidance issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* – The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement will become effective for fiscal years beginning after June 15, 2026, and the impact has not yet been determined.

REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 22,939,008	$ 22,939,008	$ 22,770,484	$ (168,524)
Sales taxes	9,951,222	10,237,445	10,481,239	243,794
Franchise fees and other	1,785,000	1,785,000	1,860,182	75,182
Fines and forfeitures	803,500	303,500	300,510	(2,990)
Licenses, permits and fees	1,675,310	1,867,335	2,311,658	444,323
Intergovernmental	350,571	350,571	364,113	13,542
Investment earnings	1,500,000	1,500,000	2,283,503	783,503
Miscellaneous	855,350	855,350	764,621	(90,729)
Total revenues	39,859,961	39,838,209	41,136,310	1,298,101
EXPENDITURES				
Current:				
General government	5,328,077	5,484,020	5,366,423	117,597
Public safety:				
Police	12,575,130	12,470,730	12,625,551	(154,821)
Fire	8,754,899	9,205,964	9,210,699	(4,735)
Public works	8,355,824	8,686,015	8,023,552	662,463
Finance	2,114,695	2,159,345	2,076,402	82,943
Neighborhood and planning	990,729	1,060,729	952,342	108,387
Parks and recreation	3,853,409	4,292,091	4,000,762	291,329
Debt service:				
Principal	-	-	64,257	(64,257)
Interest and other	-	-	8,659	(8,659)
Capital outlay	169,100	460,486	864,202	(403,716)
Total expenditures	42,141,863	43,819,380	43,192,849	626,531
Excess (deficiency) of revenues over (under) expenditures	(2,281,902)	(3,981,171)	(2,056,539)	1,924,632
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	-	342,711	342,711
Insurance recoveries	75,000	75,000	141,513	66,513
Transfers in	2,562,099	2,502,099	2,897,934	395,835
Transfers out	(355,197)	(466,485)	(466,485)	-
Total other financing sources (uses)	2,281,902	2,110,614	2,915,673	805,059
NET CHANGE IN FUND BALANCE	-	(1,870,557)	859,134	2,729,691
FUND BALANCE - BEGINNING	23,464,308	23,464,308	23,464,308	-
FUND BALANCE - ENDING	$ 23,464,308	$ 21,593,751	$ 24,323,442	$ 2,729,691

CITY OF DUNCANVILLE, TEXAS

NOTES TO GENERAL FUND BUDGETARY SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for the general, debt service, hotel occupancy tax, and drainage fees funds. Project-length financial plans are adopted for capital projects funds.

Budgetary preparation and control are exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end.

For the fiscal year ended September 30, 2025, actual expenditures did not exceed budgeted expenditures at the fund level for any of the City’s funds.

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

Measurement Date December 31,	**2024**	**2023**	**2022**	**2021**
Total pension liability				
Service cost	$ 3,280,595	$ 2,622,566	$ 2,461,550	$ 2,222,268
Interest on total pension liability	9,302,808	8,498,233	7,922,566	7,721,008
Changes of benefit terms	9,636,115	6,164,399	-	-
Difference between expected and actual experience	1,358,442	250,388	(532,027)	152,732
Change of assumptions	-	(957,591)	-	-
Benefit payments/refunds of contributions	(9,189,023)	(7,729,185)	(7,407,992)	(7,051,235)
Net change in total pension liability	14,388,937	8,848,810	2,444,097	3,044,773
Total pension liability, beginning	131,137,471	122,288,661	119,844,564	116,799,791
Total pension liability, ending (a)	$ 145,526,408	$ 131,137,471	$ 122,288,661	$ 119,844,564
Plan fiduciary net position				
Contributions - employer	$ 2,274,666	$ 1,341,382	$ 1,351,321	$ 1,304,415
Contributions - employee	1,585,923	1,512,706	1,418,177	1,282,430
Net investment income	12,846,617	13,352,809	(9,455,835)	15,475,840
Benefit payments/refunds of contributions	(9,189,023)	(7,729,185)	(7,407,992)	(7,051,235)
Administrative expenses	(82,770)	(85,276)	(82,050)	(71,752)
Other	(1,936)	(596)	97,910	491
Net change in fiduciary net position	7,433,477	8,391,840	(14,078,469)	10,940,189
Fiduciary net position, beginning	124,208,123	115,816,283	129,894,752	118,954,563
Fiduciary net position, ending (b)	$ 131,641,600	$ 124,208,123	$ 115,816,283	$ 129,894,752
Net pension liability = (a)-(b)	13,884,808	6,929,348	6,472,378	(10,050,188)
Fiduciary net position as a percentage of total pension liability	90%	95%	95%	108%
Covered payroll	$ 22,656,045	$ 21,514,081	$ 20,259,674	$ 18,320,426
Net Pension Liability as a percentage of covered payroll	61%	32%	32%	-55%

2020	2019	2018	2017	2016	2015
$ 2,186,257	$ 2,209,769	$ 2,144,947	$ 2,056,646	$ 1,968,819	$ 1,737,352
7,547,114	7,374,472	7,232,501	7,067,274	6,840,894	6,476,370
-	-	-	-	3,051,493	-
(129,746)	129,524	(364,794)	(82,975)	454,847	11,193
-	(42,112)	-	-	-	2,777,068
(7,039,592)	(7,173,166)	(6,702,143)	(6,572,445)	(5,336,944)	(5,347,455)
2,564,033	2,498,487	2,310,511	2,468,500	6,979,109	5,654,528
114,235,758	111,737,271	109,426,760	106,958,260	99,979,151	94,324,623
$ 116,799,791	$ 114,235,758	$ 111,737,271	$ 109,426,760	$ 106,958,260	$ 99,979,151
$ 1,369,983	$ 1,334,433	$ 1,333,573	$ 1,209,633	$ 531,144	$ 584,156
1,250,311	1,221,682	1,183,186	1,138,065	1,090,327	1,047,974
8,692,970	15,974,107	(3,323,175)	14,034,805	6,651,413	150,672
(7,039,592)	(7,173,166)	(6,702,143)	(6,572,445)	(5,336,944)	(5,347,455)
(56,357)	(90,391)	(64,291)	(72,773)	(75,151)	(91,784)
(2,199)	(2,715)	(3,359)	(3,688)	(4,047)	(4,535)
4,215,116	11,263,950	(7,576,209)	9,733,597	2,856,742	(3,660,972)
114,739,447	103,475,497	111,051,706	101,318,109	98,461,367	102,122,339
$ 118,954,563	$ 114,739,447	$ 103,475,497	$ 111,051,706	$ 101,318,109	$ 98,461,367
(2,154,772)	(503,689)	8,261,774	(1,624,946)	5,640,151	1,517,784
102%	100%	93%	101%	95%	98%
$ 17,861,579	$ 17,452,598	$ 16,902,658	$ 16,258,070	$ 15,576,098	$ 14,861,868
-12%	-3%	49%	-10%	36%	10%

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF CITY CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

Fiscal Year Ended September 30,	2025	2024	2023	2022
Actuarially determined contribution	$ 3,283,240	$ 2,070,274	$ 1,317,340	$ 1,366,398
Contributions in relation to the actuarially determined contribution	3,283,240	2,070,274	1,317,340	1,366,398
Contribution deficiency (excess)	-	-	-	-
Covered payroll	$ 23,033,466	$ 22,582,154	$ 20,930,275	$ 20,184,988
Contributions as a percentage of covered payroll	14.3%	9.2%	6.3%	6.8%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	22 years
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

2021	2020	2019	2018	2017	2016
$ 1,354,322	$ 1,377,995	$ 1,336,121	$ 1,201,932	$ 784,260	$ 539,816
1,354,322	1,377,995	1,336,121	1,237,718	971,262	518,334
-	-	-	(35,786)	(187,002)	21,482
$ 18,651,462	$ 17,978,835	$ 17,316,010	$ 16,646,529	$ 16,076,166	$ 15,295,736
7.3%	7.7%	7.7%	7.4%	6.0%	3.4%

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

Measurement Date December 31,	**2024**	**2023**	**2022**	**2021**
Total OPEB liability				
Service cost	$ 91,528	$ 77,393	$ 227,813	$ 174,812
Interest on total OPEB liability	43,791	44,126	48,835	54,480
Difference between expected and acutal experience	(263,723)	(11,932)	(683,877)	1,196
Changes of benefit term	(909,563)	-	(832,475)	-
Changes in assumptions	193	9,743	(161,415)	(198,959)
Benefit payments	(43,885)	(64,842)	(111,600)	(144,318)
Net change in total OPEB liability	(1,081,659)	54,488	(1,512,719)	(112,789)
Total OPEB liability, beginning	1,137,750	1,083,262	2,595,981	2,708,770
Total OPEB liability, ending (a)	$ 56,091	$ 1,137,750	$ 1,083,262	$ 2,595,981
Covered-employee payroll	$ 22,522,229	$ 21,895,394	$ 20,259,674	$ 18,165,704
Total OPEB liability as a percentage of covered-employee payroll	0.25%	5%	5%	14%

Note: GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of year end, all years are not available. Additional years will be added in the future as the information becomes available.

Note: Changes in assumptions reflect changes in the discount rate.

Note: No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

2020	2019	2018
$ 265,048	$ 228,787	$ 154,311
140,757	175,478	104,255
(896,874)	49,296	1,426,385
(1,852,930)	-	-
171,781	176,692	187,140
(209,843)	(309,808)	(348,468)
(2,382,061)	320,445	1,523,623
5,090,831	4,770,386	3,246,763
$ 2,708,770	$ 5,090,831	$ 4,770,386
$ 18,320,426	$ 17,380,147	$ 16,409,275
15%	29%	29%

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

The Special Revenue Funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Hotel Motel Tax Fund - To account for monies received from a tax upon the cost of occupancy in hotels and motels, the revenues of which may be expended to promote tourism and the convention and hotel industry.

Drainage Fees Fund - To account for funds received from user fees for major stormwater drainage improvement projects throughout the City. The Drainage Fees fund was created to reduce flooding, reduce creek erosion, and comply with EPA mandates regarding storm water management.

Grants Fund - To account for funds granted to the City by state and federal governments to be used for public safety and cultural and recreational purposes.

Court Technology Fund - To account for funds received from Municipal Court fines to be used for upgrading technology.

Court Security Fund - To account for funds received from Municipal Court fines to be used for providing security to the Municipal Court.

Juvenile Case Manager Fund – To account for funds received from Municipal Court fines to be used only to finance the salary and benefits of a juvenile case manager.

Asset Forfeiture Fund – To account for money awards by the courts to the Police Department.

Tax Incremental Financing Fund - To account for monies received from property tax increment funds to facilitate the development or redevelopment of economically distressed areas of the City.

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Street Capital Improvements Fund - To account for the construction of major thoroughfares and petition paving projects.

Parks Capital Improvements Fund – To account for various improvements made in the City’s parks and recreational facilities.

Alley Capital Improvements Fund – To account for the various improvements made in the City’s alleys.

Paving Assessment Fund – To account for paving assessment for the construction of paving projects.

CITY OF DUNCANVILLE, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue Funds		
	Hotel Motel Tax	Drainage Fees	Grants
ASSETS			
Cash and investments	$ 3,429,126	$ 1,571,854	$ 250,806
Receivables, net of allowance	87,297	104,761	14,399
Due from other governments	-	-	40,574
Total assets	3,516,423	1,676,615	305,779
LIABILITIES			
Accounts payable	24,495	23,136	5,091
Accrued liabilities	5,111	3,043	930
Unearned revenue	-	-	49,950
Total liabilities	29,606	26,179	55,971
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	7,901	-	-
Total deferred inflows of resources	7,901	-	-
FUND BALANCES			
Restricted for:			
Public safety	-	-	-
Economic development	3,478,916	-	249,808
Capital projects	-	1,650,436	-
Total fund balances	3,478,916	1,650,436	249,808
Total liabilities, deferred inflows of resources, and fund balances	$ 3,516,423	$ 1,676,615	$ 305,779

Special Revenue Funds			
Court Technology	Court Security	Juvenile Case Manager	Asset Forfeiture
$ 60,373	$ 73,952	$ 3,174	$ 3,632,772
-	-	-	-
-	-	-	-
60,373	73,952	3,174	3,632,772
14,983	-	168	13,042
-	8	-	-
-	-	-	9,844
14,983	8	168	22,886
-	-	-	-
-	-	-	-
45,390	73,944	3,006	3,609,886
-	-	-	-
-	-	-	-
45,390	73,944	3,006	3,609,886
$ 60,373	$ 73,952	$ 3,174	$ 3,632,772

CITY OF DUNCANVILE, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue Funds	Capital Projects Funds	
	Tax Incremental Financing	Street Capital Improvements	Parks Capital Improvements
ASSETS			
Cash and investments	$ 808,022	$ 94,319	$ 3,118,020
Receivables, net of allowance	-	-	-
Due from other governments	-	-	-
Total assets	808,022	94,319	3,118,020
LIABILITIES			
Accounts payable	-	-	246,188
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	246,188
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Restricted for:			
Public safety	-	-	-
Economic development	808,022	-	-
Capital projects	-	94,319	2,871,832
Total fund balances	808,022	94,319	2,871,832
Total liabilities, deferred inflows of resources, and fund balances	$ 808,022	$ 94,319	$ 3,118,020

Capital Projects Funds			
Alley Capital Improvements	Paving Assessment	Total Nonmajor Governmental Funds	
$ 491,149	$ -	$ 13,533,567	
-	50,300	256,757	
-	-	40,574	
491,149	50,300	13,830,898	
-	-	327,103	
-	-	9,092	
-	-	59,794	
-	-	395,989	
-	50,300	58,201	
-	50,300	58,201	
-	-	3,732,226	
-	-	4,536,746	
491,149	-	5,107,736	
491,149	-	13,376,708	
$ 491,149	$ 50,300	$ 13,830,898	

CITY OF DUNCANVILLE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds		
	Hotel Motel Tax	Drainage Fees	Grants
REVENUES			
Hotel occupancy tax	$ 1,077,731	$ -	$ -
Fines and forfeitures	-	-	-
Licenses, permits and fees	-	1,364,783	2,214
Intergovernmental	-	-	152,265
Investment earnings	-	-	-
Miscellaneous	7,892	-	48,128
Total revenues	1,085,623	1,364,783	202,607
EXPENDITURES			
Current:			
General government	689,571	-	4,095
Public safety:			
Police	-	-	23,209
Fire	-	-	806
Development services	-	212,388	5,720
Parks and recreation	-	-	75,504
Financial services	-	-	-
Capital outlay	-	272,160	-
Total expenditures	689,571	484,548	109,334
Excess (deficiency) of revenue over (under) expenditures	396,052	880,235	93,273
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer out	(1,508,042)	-	(335,835)
Total other financing sources (uses)	(1,508,042)	-	(335,835)
NET CHANGE IN FUND BALANCES	(1,111,990)	880,235	(242,562)
FUND BALANCES - BEGINNING	4,590,906	770,201	492,370
FUND BALANCES - ENDING	$ 3,478,916	$ 1,650,436	$ 249,808

Special Revenue Funds			
Court Technology	Court Security	Juvenile Case Manager	Asset Forfeiture
$ -	$ -	$ -	$ -
4,740	10,768	-	338,623
-	-	9,490	-
-	-	-	-
-	-	-	108,065
-	-	-	-
4,740	10,768	9,490	446,688
14,800	3,796	-	-
-	-	-	385,194
-	-	-	-
-	-	-	-
-	-	-	-
-	-	750	-
-	-	72	25,699
14,800	3,796	822	410,893
(10,060)	6,972	8,668	35,795
-	-	-	-
-	-	(6,000)	-
-	-	(6,000)	-
(10,060)	6,972	2,668	35,795
55,450	66,972	338	3,574,091
$ 45,390	$ 73,944	$ 3,006	$ 3,609,886

CITY OF DUNCANVILLE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds	Capital Projects Funds	
	Tax Incremental Financing	Street Capital Improvements	Parks Capital Improvements
REVENUES			
Hotel occupancy tax	$ -	$ -	$ -
Fines and forfeitures	-	-	-
Licenses, permits and fees	-	-	-
Intergovernmental	-	-	-
Investment earnings	-	1,789	-
Miscellaneous	-	714	-
Total revenues	-	2,503	-
EXPENDITURES			
Current:			
General government	134	-	-
Public safety:			
Police	-	-	-
Fire	-	-	-
Development services	-	-	-
Parks and recreation	-	-	-
Financial services	-	-	-
Capital outlay	-	69,069	707,089
Total expenditures	134	69,069	707,089
Excess (deficiency) of revenue over (under) expenditures	(134)	(66,566)	(707,089)
OTHER FINANCING SOURCES (USES)			
Transfer in	159,085	100,000	22,806
Transfer out	-	-	-
Total other financing sources (uses)	159,085	100,000	22,806
NET CHANGE IN FUND BALANCES	158,951	33,434	(684,283)
FUND BALANCES - BEGINNING	649,071	60,885	3,556,115
FUND BALANCES - ENDING	$ 808,022	$ 94,319	$ 2,871,832

Capital Projects Funds		
Alley Capital Improvements	Paving Assessment	Total Nonmajor Governmental Funds
$ -	$ -	$ 1,077,731
-	-	354,131
-	-	1,376,487
-	-	152,265
-	-	109,854
-	-	56,734
-	-	3,127,202
-	-	712,396
-	-	408,403
-	-	806
-	-	218,108
-	-	75,504
-	-	750
8,403	-	1,082,492
8,403	-	2,498,459
(8,403)	-	628,743
200,000	-	481,891
-	-	(1,849,877)
200,000	-	(1,367,986)
191,597	-	(739,243)
299,552	-	14,115,951
$ 491,149	$ -	$ 13,376,708

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 1,500,556	$ 1,500,556	$ 1,455,724	$ (44,832)
Investment earnings	15,000	15,000	38,048	23,048
Total revenue	1,515,556	1,515,556	1,493,772	(21,784)
EXPENDITURES				
Debt service:				
Principal	855,000	855,000	855,000	-
Interest and other	631,056	631,056	631,106	(50)
Total expenditures	1,486,056	1,486,056	1,486,106	(50)
NET CHANGE IN FUND BALANCE	29,500	29,500	7,666	(21,834)
FUND BALANCE - BEGINNING	587,489	587,489	587,489	-
FUND BALANCE - ENDING	$ 616,989	$ 616,989	$ 595,155	$ (21,834)

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HOTEL OCCUPANCY TAX FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Hotel occupancy tax	$ 923,000	$ 923,000	$ 1,077,731	$ 154,731
Miscellaneous	-	-	7,892	7,892
Total revenues	923,000	923,000	1,085,623	162,623
EXPENDITURES				
Current:				
General government	2,182,697	817,697	689,571	128,126
Total expenditures	2,182,697	817,697	689,571	128,126
Excess (deficiency) of revenues over (under) expenditures	(1,259,697)	105,303	396,052	290,749
OTHER FINANCING SOURCES (USES)				
Transfers in	-	(138,450)	-	(138,450)
Transfers out	(461,726)	(1,781,726)	(1,508,042)	(273,684)
Total other financing sources (uses)	(461,726)	(1,781,726)	(1,508,042)	(273,684)
NET CHANGE IN FUND BALANCE	(1,721,423)	(1,676,423)	(1,111,990)	564,433
FUND BALANCE - BEGINNING	4,590,906	4,590,906	4,590,906	-
FUND BALANCE - ENDING	$ 2,869,483	$ 2,914,483	$ 3,478,916	$ 564,433

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DRAINAGE FEES FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 1,050,000	$ 1,325,000	$ 1,364,783	$ 39,783
Total revenues	1,050,000	1,325,000	1,364,783	39,783
EXPENDITURES				
Current:				
Development services	326,741	613,742	212,388	401,354
Capital outlay	745,000	666,229	272,160	394,069
Total expenditures	1,071,741	1,279,971	484,548	795,423
NET CHANGE IN FUND BALANCE	(21,741)	45,029	880,235	835,206
FUND BALANCE - BEGINNING	770,201	770,201	770,201	-
FUND BALANCE - ENDING	$ 748,460	$ 815,230	$ 1,650,436	$ 835,206

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF DETAILED REVENUES
ENTERPRISE FUNDS
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
UTILITY FUND				
WATER				
Sale of water	$ 10,828,192	$ 10,828,192	$ 10,546,247	$ (281,945)
Water taps	10,000	10,000	11,475	1,475
Total water	10,838,192	10,838,192	10,557,722	(280,470)
SEWER				
Sewer charges	11,577,368	11,577,368	10,533,773	(1,043,595)
Sewer taps	4,500	4,500	600	(3,900)
Total sewer	11,581,868	11,581,868	10,534,373	(1,047,495)
PENALTIES	130,000	130,000	184,913	54,913
OTHER				
Service charges	120,000	120,000	47,474	(72,526)
City services reimbursement	37,777	37,777	50,384	12,607
Intergovernmental	600	600	353,967	353,367
Miscellaneous	34,000	1,270,567	1,255,235	(15,332)
Total other	192,377	1,428,944	1,707,060	278,116
INTEREST INCOME	105,100	105,100	358,233	253,133
Total revenues - Utility Fund	$ 22,847,537	$ 24,084,104	$ 23,342,301	$ (741,803)
SOLID WASTE FUND				
SOLID WASTE CHARGES	$ 4,828,913	$ 4,828,913	$ 5,033,912	$ 204,999
INTEREST INCOME	500	500	-	(500)
Total revenues - Solid Waste Fund	$ 4,829,413	$ 4,829,413	$ 5,033,912	$ 204,499
FIELDHOUSE SPORTS FACILITY				
SPORTS FACILITY	$ 2,140,650	$ 2,140,650	$ 2,060,294	$ (80,356)
Total revenues - sports facility fund	$ 2,140,650	$ 2,140,650	$ 2,060,294	$ (80,356)
Total revenues - enterprise funds	$ 29,817,600	$ 31,054,167	$ 30,436,507	$ (617,660)

CITY OF DUNCANVILLE, TEXAS

SCHEDULE OF DETAILED EXPENDITURES
ENTERPRISE FUNDS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Salaries and Benefits	Supplies	Other Services
UTILITY FUND			
WATER/WASTEWATER SERVICES	$ 1,507,957	$ 642,997	$ 11,496,718
ADMINISTRATION AND FISCAL			
Utility administration	54,249	10,361	363
Utility accounting	1,485,295	98,933	636,634
Total utility fund expenditures	$ 3,047,501	$ 752,291	$ 12,133,715
SOLID WASTE FUND			
SOLID WASTE	$ 430,020	$ 12,243	$ 4,310,061
Total solid waste fund expenditures	$ 430,020	$ 12,243	$ 4,310,061
FIELDHOUSE SPORTS FACILITY			
SPORTS FACILITY	$ 832,564	$ 229,490	$ 1,947,022
INTEREST AND FISCAL CHARGES	-	-	(32,001)
Total sports facility fund expenditures	$ 832,564	$ 229,490	$ 1,915,021
Total enterprise fund expenditures	$ 4,310,085	$ 994,024	$ 18,358,797
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Total modified accrual expenditures			
Reconciling items:			
Capital outlay			
Depreciation and amortization			
Interest expense			
Total full accrual operating expenses			

Equipment and Maintenance	Total	Original Budget	Final Budget	Variance With Final Budget Positive (Negative)
$ 1,810,255	$ 15,457,927	$ 18,319,820	$ 23,187,585	$ 7,729,658
-	64,973	240,562	120,562	55,589
-	2,220,862	1,188,293	1,188,293	(1,032,569)
$ 1,810,255	$ 17,743,762	$ 19,748,675	$ 24,496,440	$ 6,752,678
$ 799	$ 4,753,123	$ 4,607,583	$ 4,607,583	$ (145,540)
$ 799	$ 4,753,123	$ 4,607,583	$ 4,607,583	$ (145,540)
$ 46,950	$ 3,056,026	$ 1,498,197	$ 1,498,197	$ (1,557,829)
-	(32,001)	8,450	8,450	40,451
$ 46,950	$ 3,024,025	$ 1,506,647	$ 1,506,647	$ (1,517,378)
$ 1,858,004	$ 25,520,910	$ 25,862,905	$ 30,610,670	$ 5,089,760
	$ 25,520,910			
	(2,776,718)			
	1,963,101			
	32,001			
	$ 24,739,294			

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the City on a cost-reimbursement basis. The Internal Service Funds are members of the proprietary fund category and as such are accounted for on the accrual basis of accounting. There are three funds within the Internal Service Funds:

Fleet Replacement Fund - To account for the financing and expenses related to the purchase of fleet and equipment.

Information Technology Replacement Fund – To account for the financing and expenses related to the purchase of computers, servers and other information technology equipment.

Comprehensive Self-Insurance Fund – To account for the costs associated with the general liability, property and casualty, and workers' compensation self-insurance program established by the City.

CITY OF DUNCANVILLE, TEXAS

COMBINING STATEMENT OF NET POSITION -
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2025

	Fleet Replacement	Info Tech Replacement	Comprehensive Self-Insurance	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,870,720	$ 308,621	$ 480,986	$ 2,660,327
Receivables, net of allowance	-	-	12,000	12,000
Total current assets	1,870,720	308,621	492,986	2,672,327
Non-current assets:				
Equipment and furniture	14,619,828	-	-	14,619,828
Less: accumulated depreciation	(10,576,546)	-	-	(10,576,546)
Total non-current assets	4,043,282	-	-	4,043,282
Total assets	5,914,002	308,621	492,986	6,715,609
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	149,296	149,296
Total liabilities	-	-	149,296	149,296
NET POSITION				
Net investment in capital assets	4,043,282	-	-	4,043,282
Unrestricted	1,870,720	308,621	343,690	2,523,031
Total net position	$ 5,914,002	$ 308,621	$ 343,690	$ 6,566,313

CITY OF DUNCANVILLE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Fleet Replacement	Info Tech Replacement	Comprehensive Self-Insurance	Total
OPERATING REVENUES				
Charges for services	$ 1,026,814	$ -	$ 562,496	$ 1,589,310
Total operating revenues	1,026,814	-	562,496	1,589,310
OPERATING EXPENSES				
Claims and provision	-	-	772,175	772,175
Equipment	251,003	120,047	-	371,050
Depreciation	1,043,547	-	-	1,043,547
Total operating expenses	1,294,550	120,047	772,175	2,186,772
OPERATING INCOME	(267,736)	(120,047)	(209,679)	(597,462)
NON-OPERATING REVENUES (EXPENSES)				
Insurance receoveries	39,752	-	-	39,752
Gain on disposal of property	355,110	-	-	355,110
Total nonoperating revenues (expenses)	394,862	-	-	394,862
INCOME (LOSS) BEFORE TRANSFERS	127,126	(120,047)	(209,679)	(202,600)
Transfers in	83,000	124,400	-	207,400
CHANGE IN NET POSITION	210,126	4,353	(209,679)	4,800
TOTAL NET POSITION - BEGINNING	5,703,876	304,268	553,369	6,561,513
TOTAL NET POSITION - ENDING	$ 5,914,002	$ 308,621	$ 343,690	$ 6,566,313

CITY OF DUNCANVILLE, TEXAS

COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Fleet Replacement	Info Tech Replacement	Comprehensive Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund charges for services	$ 1,044,302	$ -	$ 574,496	$ 1,618,798
Payments to suppliers and service providers	(166,196)	(132,161)	(761,022)	(1,059,379)
Net cash provided (used) by operating activities	878,106	(132,161)	(186,526)	559,419
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	83,000	124,400	-	207,400
Net cash provided by noncapital financing activities	83,000	124,400	-	207,400
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,758,540)	-	-	(1,758,540)
Disposal of capital assets	455,203	-	-	455,203
Net cash provided (used) by capital and related financing activities	(1,303,337)	-	-	(1,303,337)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(342,231)	(7,761)	(186,526)	(536,518)
CASH AND CASH EQUIVALENTS - BEGINNING	2,212,951	316,382	667,512	3,196,845
CASH AND CASH EQUIVALENTS - ENDING	1,870,720	308,621	480,986	2,660,327
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	(267,736)	(120,047)	(209,679)	(597,462)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,043,547	-	-	1,043,547
(Increase) decrease in accounts receivable	17,488	-	12,000	29,488
(Increase) decrease in prepaid items	647,079	-	-	647,079
Increase (decrease) in accounts payable	(562,272)	(12,114)	11,153	(563,233)
Total adjustments	1,145,842	(12,114)	23,153	1,156,881
Net cash provided (used) by operating activities	$ 878,106	$ (132,161)	$ (186,526)	$ 559,419

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DISCRETELY PRESENTED COMPONENT UNIT
FUND FINANCIAL STATEMENTS

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CITY OF DUNCANVILLE, TEXAS

BALANCE SHEET - DISCRETELY PRESENTED COMPONENT UNIT

SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
ASSETS	
Cash and investments	$ 6,474,902
Accounts receivable	606,989
Total assets	7,081,891
LIABILITIES	
Accounts payable	131,789
Accrued liabilities	29,119
Total liabilities	160,908
FUND BALANCES	
Restricted for:	
Economic development	6,920,983
Total fund balance	6,920,983
Total liabilities and fund balance	$ 7,081,891

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
Total Fund Balance - Component Unit	$ 6,920,983
Amounts reported for the component unit in the statement of net position are different because:	
Capital assets used in the component unit are not current financial resources and therefore are not reported in this fund financial statement. These consist of:	
Land	219,637
Buildings	906,133
Equipment	12,898
Accumulated depreciation	(134,520)
The investment in joint venture is not a current financial resource and therefore is not reported in the fund financial statement.	(60,328)
Net Position of Component Unit	$ 7,864,803

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
REVENUES	
Sales tax	$ 3,506,620
Investment earnings	96,424
Miscellaneous revenue	64,511
Total revenues	3,667,555
EXPENDITURES	
Current:	
Economic development	4,020,388
Total expenditures	4,020,388
Excess (deficiency) of revenues over (under) expenditures	(352,833)
FUND BALANCE - BEGINNING	7,273,816
FUND BALANCE - ENDING	$ 6,920,983

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE DISCRETELY PRESENTED COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
Net Change in Fund Balances - Component Unit	$ (352,833)
Amounts reported for the component unit in the statement of activities are are different because:	
Capital asset additions are recorded as expenditures in the fund financial statements.	12,898
The fund financial statements do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(429)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	
Depreciation	(18,230)
Changes in Net Position of Component Unit	$ (358,594)

STATISTICAL SECTION

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STATISTICAL SECTION
(Unaudited)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Pages**

Financial Trends 82 - 91

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 92 - 95

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 96 - 100

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 101 - 104

This schedule offers demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 105 - 108

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF DUNCANVILLE, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$ 59,937,098	$ 59,603,623	$ 57,250,105	$ 34,007,758
Restricted	2,766,937	3,619,861	4,478,493	28,118,603
Unrestricted	14,828,820	9,869,375	10,178,096	8,753,484
Total governmental activities net position	$ 77,532,855	$ 73,092,859	$ 71,906,694	$ 70,879,845
Business-type activities:				
Net investment in capital assets	$ 30,923,909	$ 35,548,641	$ 35,605,438	$ 37,354,472
Unrestricted	7,819,164	10,658,338	15,710,431	17,799,000
Total business-type activities net position	$ 38,743,073	$ 46,206,979	$ 51,315,869	$ 55,153,472
Primary government:				
Net investment in capital assets	$ 90,861,007	$ 95,152,264	$ 92,855,543	$ 71,362,230
Restricted	2,766,937	3,619,861	4,478,493	28,118,603
Unrestricted	22,647,984	20,527,713	25,888,527	26,552,484
Total primary government net position	$ 116,275,928	$ 119,299,838	$ 123,222,563	$ 126,033,317

TABLE 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 54,987,476	$ 54,195,373	$ 54,493,709	$ 62,878,358	$ 63,591,343	$ 63,425,626
6,599,995	6,970,162	8,233,351	6,626,254	10,297,996	9,354,736
10,016,045	17,437,215	23,546,179	27,947,409	27,039,369	20,034,673
$ 71,603,516	$ 78,602,750	$ 86,273,239	$ 97,452,021	$ 100,928,708	$ 92,815,035
$ 42,172,911	$ 45,041,387	$ 46,768,084	$ 50,645,509	$ 53,329,603	$ 54,563,571
15,605,925	14,560,733	15,506,276	15,487,292	16,465,114	19,393,812
$ 57,778,836	$ 59,602,120	$ 62,274,360	$ 66,132,801	$ 69,794,717	$ 73,957,383
$ 97,160,388	$ 99,236,760	$ 101,261,793	$ 113,523,867	$ 116,920,946	$ 117,989,197
6,599,995	6,970,162	8,233,351	6,626,254	10,297,996	9,354,736
25,621,969	31,997,948	39,052,455	43,434,701	43,504,483	39,428,485
$ 129,382,352	$ 138,204,870	$ 148,547,599	$ 163,584,822	$ 170,723,425	$ 166,772,418

CITY OF DUNCANVILLE, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	$ 3,606,949	$ 4,102,626	$ 4,317,744	$ 4,238,401
Police	9,072,992	10,664,821	9,583,619	10,484,426
Fire	6,437,830	8,126,333	7,094,174	7,944,523
Finance	2,313,589	2,514,951	2,189,441	2,018,321
Parks and recreation	4,638,475	4,903,571	4,703,219	4,584,586
Public works	7,380,159	8,496,495	8,669,083	8,830,835
Neighborhood and planning	-	-	-	-
Economic development	300,000	300,000	300,000	300,000
Interest and other fees	42,189	35,472	28,529	793,999
Total governmental activities expenses	33,792,183	39,144,269	36,885,809	39,195,091
Business-type activities:				
Utility	10,755,649	11,741,825	12,005,563	12,591,492
Solid waste	2,488,966	2,633,707	2,682,991	2,827,739
Sports facility	1,662,127	1,578,544	1,626,129	1,724,366
Total business-type activities expenses	14,906,742	15,954,076	16,314,683	17,143,597
Total primary government expenses	$ 48,698,925	$ 55,098,345	$ 53,200,492	$ 56,338,688
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 430,729	$ 359,955	$ 388,993	$ 371,518
Police	3,241,775	3,249,015	2,989,143	2,400,204
Fire	994,287	668,762	609,942	660,909
Parks and recreation	356,552	361,389	302,750	282,689
Public works	967,758	1,196,582	1,058,873	1,152,973
Operating grants and contributions	392,198	1,317,404	792,205	737,901
Capital grants and contributions	-	-	30,000	69,522
Total governmental activities program revenues	6,383,299	7,153,107	6,171,906	5,675,716
Business-type activities:				
Charges for services:				
Utility	15,935,339	18,364,372	18,992,181	18,245,870
Solid waste	2,778,684	2,768,875	3,174,451	3,199,130
Sports facility	1,002,465	1,099,703	1,245,091	1,343,370
Operating grants and contributions	631,171	2,874,738	538,650	536,550
Total business-type activities program revenues	20,347,659	25,107,688	23,950,373	23,324,920
Total primary government program revenues	$ 26,730,958	$ 32,260,795	$ 30,122,279	$ 29,000,636

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 3,784,617	$ 4,323,173	$ 3,622,947	$ 6,404,047	$ 7,223,541	$ 7,817,632
10,525,006	10,154,245	11,872,410	15,107,681	15,081,579	17,825,975
7,148,111	6,394,166	6,864,129	9,450,639	10,626,928	12,082,148
1,524,072	1,275,515	1,196,680	1,992,684	2,122,338	2,598,840
4,123,179	3,822,563	2,817,095	3,685,664	4,381,958	4,889,536
9,048,741	7,950,616	7,497,327	6,535,462	7,826,216	9,707,969
-	-	1,070,690	1,501,808	1,616,105	1,334,851
50,000	-	-	-	-	-
695,379	749,574	671,617	641,952	590,761	574,655
36,899,105	34,669,852	35,612,895	45,319,937	49,469,426	56,831,606
12,937,433	13,263,563	13,695,300	13,983,016	15,958,204	18,304,389
3,591,623	3,758,469	4,077,816	4,079,762	4,461,210	4,761,069
1,280,363	1,413,186	1,575,225	1,713,132	1,837,385	1,937,520
17,809,419	18,435,218	19,348,341	19,775,910	22,256,799	25,002,978
$ 54,708,524	$ 53,105,070	$ 54,961,236	$ 65,095,847	$ 71,726,225	$ 81,834,584
$ 260,285	$ 250,907	$ 249,823	$ 2,420,385	$ 113,685	$ 126,811
580,191	559,978	479,897	493,675	478,027	479,139
759,170	1,155,306	1,071,428	743,616	969,267	1,468,052
175,717	259,242	243,317	280,720	326,937	191,756
1,361,779	1,550,234	1,383,343	1,730,963	1,389,340	1,863,672
1,739,935	2,162,428	2,943,316	6,185,814	4,908,156	1,085,543
120,370	59,963	972,375	372,491	2,054,500	232,789
4,997,447	5,998,058	7,343,499	12,227,664	10,239,912	5,447,762
17,613,483	16,961,209	18,744,241	19,627,498	21,338,912	22,567,419
4,055,491	4,181,018	4,147,161	4,705,862	4,907,170	5,033,912
699,169	1,177,233	1,296,301	1,333,573	1,341,851	1,439,360
533,850	537,800	-	533,775	538,625	891,917
22,901,993	22,857,260	24,187,703	26,200,708	28,126,558	29,932,608
$ 27,899,440	$ 28,855,318	$ 31,531,202	$ 38,428,372	$ 38,366,470	$ 35,380,370

CITY OF DUNCANVILLE, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2016	2017	2018	2019
Program Revenues				
Net (expense) revenue:				
Governmental activities	$ (27,408,884)	$ (31,991,162)	$ (30,713,903)	$ (33,519,375)
Business-type activities	5,440,917	9,153,612	7,635,690	6,181,323
Total primary government net (expense) revenue	$ (21,967,967)	$ (22,837,550)	$ (23,078,213)	$ (27,338,052)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	$ 13,852,373	$ 14,950,153	$ 15,950,016	$ 17,341,616
Sales	7,094,565	7,575,577	8,208,151	8,106,164
Franchise	2,035,117	1,992,154	2,046,553	1,949,561
Hotel occupancy	779,253	742,865	752,063	808,374
Unrestricted investment earnings	71,906	155,386	400,917	1,049,084
Miscellaneous	230,398	380,867	418,247	660,004
Gain on sale of capital assets	-	-	-	-
Transfers	2,370,066	1,754,164	2,597,840	2,577,723
Total governmental activities	26,433,678	27,551,166	30,373,787	32,492,526
Business-type activities:				
Interest and investment earnings	24,156	64,458	136,107	232,775
Miscellaneous	-	-	-	1,228
Transfers	(2,370,066)	(1,754,164)	(2,597,840)	(2,577,723)
Total business-type activities	(2,345,910)	(1,689,706)	(2,461,733)	(2,343,720)
Total primary government	24,087,768	25,861,460	27,912,054	30,148,806
Change in Net Position				
Governmental activities	(975,206)	(4,439,996)	(340,116)	(1,026,849)
Business-type activities	3,095,007	7,463,906	5,173,957	3,837,603
Total primary government	$ 2,119,801	$ 3,023,910	$ 4,833,841	$ 2,810,754

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (31,901,658)	$ (28,671,794)	$ (28,269,396)	$ (33,092,273)	$ (39,229,514)	$ (51,383,844)
5,092,574	4,422,042	4,839,362	6,424,798	5,869,759	4,929,630
$ (26,809,084)	$ (24,249,752)	$ (23,430,034)	$ (26,667,475)	$ (33,359,755)	$ (46,454,214)
$ 18,820,530	$ 20,733,113	$ 19,917,548	$ 21,758,099	$ 22,377,809	$ 24,244,267
7,810,935	8,939,100	9,762,501	9,962,571	10,101,931	10,481,239
1,779,687	1,798,295	1,857,149	1,967,160	1,842,081	1,860,182
667,185	848,912	843,213	1,286,661	1,220,834	1,077,731
849,876	303,622	264,430	3,203,298	3,780,970	3,210,424
64,596	415,466	2,235,287	634,603	555,101	589,090
-	-	-	-	-	536,375
2,632,520	2,632,520	626,435	2,980,033	2,827,475	1,270,863
32,625,329	35,671,028	35,506,563	41,792,425	42,706,201	43,270,171
165,310	33,762	16,543	268,328	425,515	358,233
-	-	-	145,348	194,117	145,666
(2,632,520)	(2,632,520)	(2,183,665)	(2,980,033)	(2,827,475)	(1,270,863)
(2,467,210)	(2,598,758)	(2,167,122)	(2,566,357)	(2,207,843)	(766,964)
30,158,119	33,072,270	33,339,441	39,226,068	40,498,358	42,503,207
723,671	6,999,234	7,237,167	8,700,152	3,476,687	(8,113,673)
2,625,364	1,823,284	2,672,240	3,858,441	3,661,916	4,162,666
$ 3,349,035	$ 8,822,518	$ 9,909,407	$ 12,558,593	$ 7,138,603	$ (3,951,007)

CITY OF DUNCANVILLE, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	$ 17,693	$ 18,189	$ 38,937	$ 14,127
Assigned	762,361	1,505,544	2,151,559	2,924,454
Unassigned	7,672,447	8,447,281	9,035,392	9,816,022
Total General Fund	$ 8,452,501	$ 9,971,014	$ 11,225,888	$ 12,754,603
All Other Governmental Funds				
Nonspendable	$ 10,375	$ 10,000	$ 10,000	$ 25,000
Restricted:				
Debt service	55,632	741	-	1,380,494
Economic development	907,234	1,293,355	1,601,972	2,145,005
Public safety	1,069,436	1,469,559	1,509,177	1,509,908
Capital projects	1,004,565	856,206	1,367,344	23,113,530
Unassigned	(7,625)	-	(9,292)	-
Total all other governmental funds	$ 3,039,617	$ 3,629,861	$ 4,479,201	$ 28,173,937

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 2,479	$ 12,154	$ -	$ 25,157	$ 36,911	$ 12,625
2,410,923	2,684,904	3,007,977	2,367,868	923,144	1,754,710
11,712,217	15,256,108	16,963,772	20,421,920	22,504,253	22,556,107
$ 14,125,619	$ 17,953,166	$ 19,971,749	$ 22,814,945	$ 23,464,308	$ 24,323,442
$ 2,167	$ -	$ -	$ -	$ -	$ -
1,399,863	1,385,475	1,233,289	630,367	587,489	595,155
2,503,685	3,084,753	3,748,427	5,106,355	6,094,079	5,016,940
1,022,369	872,480	1,136,278	973,048	3,696,851	3,732,226
22,438,517	21,332,837	20,737,937	15,200,541	12,493,017	13,485,727
-	-	-	(278)	-	-
$ 27,366,601	$ 26,675,545	$ 26,855,931	$ 21,910,033	$ 22,871,436	$ 22,830,048

CITY OF DUNCANVILLE, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes:				
Property	$ 13,855,551	$ 14,955,408	$ 15,945,254	$ 17,321,566
Sales	7,094,565	7,575,577	8,208,151	8,106,164
Franchise fees and other	2,035,117	1,992,154	2,046,553	1,949,561
Hotel	779,253	742,865	752,063	808,374
Licenses, permits and fees	4,328,804	4,241,962	4,018,615	3,344,032
Fines and forfeitures	786,919	899,601	658,169	927,697
Intergovernmental	343,306	1,088,303	701,493	586,596
Investment earnings	62,851	140,113	359,326	943,193
Miscellaneous	1,204,395	1,257,626	1,171,799	1,390,409
Total revenues	$ 30,490,761	$ 32,893,609	$ 33,861,423	$ 35,377,592
Expenditures				
Current:				
General government/ finance	$ 5,115,379	$ 5,326,751	$ 5,948,949	$ 5,448,719
Public safety:				
Police	8,284,538	8,793,884	9,243,825	9,418,926
Fire	5,815,818	6,398,771	6,682,207	6,950,805
Public works	5,533,241	6,185,787	6,972,155	6,837,409
Parks and recreation	3,879,442	3,871,097	4,023,086	3,731,638
Neighborhood and planning	-	-	-	-
Special purposes - promotional	412,331	300,000	331,388	333,376
Debt service:				
Principal	198,034	204,742	211,700	218,869
Interest and fiscal charges	42,194	35,486	28,529	380,237
Capital outlay	1,673,066	1,208,201	913,210	1,384,951
Total expenditures	30,954,043	32,324,719	34,355,049	34,704,930
Excess of revenues over (under) expenditures	(463,282)	568,890	(493,626)	672,662
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	21,973,063
Insurance recoveries	-	-	-	-
Transfers in	3,880,497	4,078,393	4,417,079	2,860,724
Transfers out	(1,510,431)	(2,324,229)	(1,819,239)	(283,001)
Total other financing sources (uses)	2,370,066	1,754,164	2,597,840	24,550,786
Net change in fund balances	$ 1,906,784	$ 2,323,054	$ 2,104,214	$ 25,223,448
Total capital outlay capitalized per the government-wide statement of net position	$ 1,673,066	$ 1,208,201	$ 913,210	$ 1,384,951
Debt service as a percentage of noncapital expenditures	0.8%	0.8%	0.7%	1.8%

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 18,848,812	$ 20,689,375	$ 19,946,027	$ 21,793,824	$ 22,387,064	$ 24,226,208
7,810,935	8,939,100	9,762,501	9,962,571	10,101,931	10,481,239
1,779,687	1,798,295	1,857,149	1,967,160	1,842,081	1,860,182
667,185	848,912	843,213	1,286,661	1,220,834	1,077,731
2,297,123	2,406,832	2,520,343	2,238,696	2,356,364	3,688,145
491,802	501,262	551,227	903,337	3,753,807	654,641
1,523,914	2,010,349	2,726,592	5,104,316	3,778,297	1,028,908
814,887	278,709	245,814	3,203,298	3,780,970	3,210,424
1,030,931	1,004,467	1,067,601	915,323	882,038	821,355
$ 35,265,276	$ 38,477,301	$ 39,520,467	$ 47,375,186	$ 50,103,386	$ 47,048,833
$ 4,927,893	$ 5,489,870	$ 5,939,618	$ 7,674,596	$ 8,322,819	$ 8,155,971
9,933,774	10,987,553	11,725,741	12,509,927	12,388,796	13,313,693
6,776,637	6,738,421	7,273,901	7,825,934	8,865,379	9,211,505
7,436,570	6,879,343	6,458,988	5,881,230	6,971,333	8,241,660
3,434,571	3,643,975	2,828,954	3,287,174	3,877,087	4,076,266
-	-	1,070,690	1,257,825	1,352,816	952,342
50,648	-	-	-	-	-
566,288	953,978	755,000	795,000	825,000	919,257
1,155,082	770,382	727,256	688,506	655,757	639,765
3,052,655	2,508,808	3,231,288	12,477,729	7,966,108	2,268,315
37,334,118	37,972,330	40,011,436	52,397,921	51,225,095	47,778,774
(2,068,842)	504,971	(490,969)	(5,022,735)	(1,121,709)	(729,941)
-	-	-	-	-	342,711
-	-	-	-	-	141,513
3,204,360	3,121,098	10,140,631	4,467,734	3,088,328	3,379,825
(571,840)	(488,578)	(7,451,694)	(1,547,701)	(355,853)	(2,316,362)
2,632,520	2,632,520	2,688,937	2,920,033	2,732,475	1,547,687
$ 563,678	$ 3,137,491	$ 2,197,968	$ (2,102,702)	$ 1,610,766	$ 817,746
$ 3,052,655	$ 2,508,808	$ 3,231,288	$ 14,256,297	$ 7,963,784	$ 2,551,374
5.0%	4.5%	4.0%	3.9%	3.4%	3.4%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Year Ended Sept. 30,	Assessed and Actual Value of Property (1)						
	Residential Property	Commercial Property	Business Personal Property	Total Assessed Value	Less: Tax-Exempt Property (2)	Total Taxable Assessed Value	Total City Tax Rate (3)
2016	$1,274,901,700	$ 576,576,230	$198,059,230	$2,049,537,160	$236,996,376	$1,812,540,784	0.758
2017	1,429,782,470	631,961,430	204,417,790	2,266,161,690	296,234,097	1,969,927,593	0.758
2018	1,524,996,300	678,101,340	204,853,370	2,407,951,010	330,979,046	2,076,971,964	0.758
2019	1,811,814,750	708,815,350	215,328,700	2,735,958,800	437,110,153	2,298,848,647	0.749
2020	1,997,661,970	752,873,520	241,266,170	2,991,801,660	487,350,806	2,504,450,854	0.743
2021	2,044,275,404	723,104,720	236,418,200	3,003,798,324	465,257,817	2,538,540,507	0.717
2022	2,203,558,560	794,346,570	240,958,660	3,238,863,790	432,986,445	2,805,877,345	0.700
2023	2,831,461,570	892,376,330	271,243,740	3,995,081,640	788,460,328	3,206,621,312	0.650
2024	3,055,110,420	988,983,150	286,970,120	4,331,063,690	773,805,937	3,557,257,753	0.646
2025	3,398,216,770	1,063,862,340	317,254,040	4,779,333,150	905,117,486	3,874,215,664	0.615

Source: Dallas Central Appraisal District

Notes:

(1) Assessed value is 100% of estimated actual value for all years as determined by the Dallas Central Appraisal District. Values are as of January 1 of the calendar year prior to the fiscal year-end date.

(2) Exemptions are granted by the City within the constraints of Texas Constitutional law

(3) Tax Rate is per $100 assessed valuation.

PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 ASSESSED VALUATION)
LAST TEN FISCAL YEARS
(UNAUDITED)

	City of Duncanville			Overlapping Rates (1)				
Fiscal Year Ended Sept. 30,	General (2)	Debt Service (2)	Total (2)	Duncanville I.S.D.(2)	Dallas County(2)	Dallas County School Equalization (2)	Parkland Hospital	Dallas College
2016	0.684584	0.073863	0.758447	1.529500	0.243100	0.010000	0.286000	0.123650
2017	0.691295	0.067152	0.758447	1.521480	0.243100	0.009271	0.279400	0.122933
2018	0.693519	0.064928	0.758447	1.521480	0.243100	0.010000	0.279400	0.124238
2019	0.690208	0.058239	0.748447	1.520000	0.243100	0.010000	0.279400	0.124000
2020	0.684801	0.058646	0.743447	1.418300	0.243100	0.010000	0.269500	0.124000
2021	0.666163	0.050689	0.716852	1.367600	0.239740	0.010000	0.266100	0.124000
2022	0.655410	0.044590	0.700000	1.315900	0.227946	0.010000	0.255000	0.123510
2023	0.625120	0.025340	0.650460	1.252900	0.217946	0.010000	0.235800	0.115899
2024	0.605557	0.040477	0.646034	1.082800	0.215718	-	0.219500	0.110028
2025	0.577487	0.037347	0.614834	1.105700	0.215500	-	0.212000	0.105595

Notes:
(1) Overlapping rates are those of local and county governments that apply to property owners within the city.
(2) Tax rates are per $100 of assessed value.

Source: Dallas Central Appraisal District

CITY OF DUNCANVILLE, TEXAS **TABLE 7**

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2025			2016		
Taxpayer / Company Name	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation (a)	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation (a)
TMIF 800 Link LP (800 Link Dr. Apts - Formerly Wimberly Park LP; Exponential Ppty Groul I LLC)	$ 57,000,000	1	2.28%	$ 20,450,000	2	1.13%
Cabinetworks Group Michigan LLC (formally Masco)	38,339,849	2	1.53%	44,955,898	1	2.48%
TCH Duncanville Road LLC	33,950,000	3	1.36%			
C H Guenther & Son Inc. (Pioneer Frozen Foods)	31,298,700	4	1.25%	19,929,040	3	1.10%
VR Ruscello - Bella Ruscello	30,837,040	5	1.23%	16,400,750	5	0.90%
Automann Inc.	30,080,800	6	1.20%			
ATMOS Energy	25,672,230	7	1.03%			
WR Senior Living (Champions Cove)	25,000,000	8	1.00%	12,100,000	6	0.67%
1303 Main Gardens LP (formerly AGM Main Park LP; Apple Reit Limited PS)	24,750,000	9	0.99%	8,928,000	9	0.49%
Costco Wholesale Corp	23,318,330	10	0.93%	19,260,340	4	1.06%
Oncor Electric Delivery				9,405,380	8	0.52%
Apple Nine Spe Duncanville Inc				9,500,000	7	0.52%
Cole La Duncanville TX LLC (LA Fitness)				8,452,020	10	0.47%
Total	$ 320,246,949		12.79%	$ 169,381,428		9.34%

Note:
(a) Total Taxable Value as of Oct. 1 $3,874,215,664 $1,812,540,784

Source: Dallas Central Appraisal District

CITY OF DUNCANVILLE, TEXAS **TABLE 8**

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Collected within the Fiscal Year of the Levy					Total Collections to Date		
Fiscal Year Ended Sept. 30,	Original Taxes Levied for the Fiscal Year	Adjustment to Original Taxes Levied	Adjusted Taxes Levied for the Fiscal Year	Amount Collected	Percentage of Levy	Collections in Subsequent Years (1)	Amount	Percentage of Adjusted Levy
2016	$ 13,762,665	$ 26,975	$ 13,789,640	$ 13,606,997	98.7%	$ 134,241	$ 13,741,238	99.6%
2017	14,953,790	(84,080)	14,869,710	14,675,275	98.7%	154,152	14,829,427	99.7%
2018	15,767,037	60,007	15,827,044	15,637,061	98.8%	148,833	15,785,894	99.7%
2019	17,221,055	(41,528)	17,179,527	16,993,053	98.9%	133,934	17,126,987	99.7%
2020	18,632,220	116,955	18,749,174	18,483,867	98.6%	204,074	18,687,941	99.7%
2021	18,209,850	1,310,263	19,520,113	19,368,907	99.2%	86,446	19,455,353	99.7%
2022	19,653,479	206,415	19,859,894	19,676,298	99.1%	90,010	19,766,309	99.5%
2023	20,873,845	876,532	21,750,377	21,467,393	98.7%	133,821	21,601,214	99.3%
2024	22,996,925	463,270	23,460,195	23,071,234	98.3%	71,615	23,142,849	98.6%
2025	23,832,966	476,114	24,309,080	23,855,300	98.1%	-	23,855,300	98.1%

Note:

(1) Collections do not include penalty and interest on delinquent accounts.

Source: Dallas County Tax Assessor / Collector

CITY OF DUNCANVILLE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended Sept. 30,	Governmental Activities			Business-type Activities	
	General Obligation Bonds (c)	Leases	Loan Payable	Leases	General Obligation Bonds (c)
2016	$ -	$ -	$ 1,155,342	$ -	$ 5,712,023
2017	-	-	950,586	-	4,930,301
2018	-	-	738,886	-	4,123,579
2019	21,936,952	-	520,006	-	3,301,856
2020	21,535,049	-	293,718	-	2,700,134
2021	20,753,147	-	59,750	-	2,188,412
2022	19,936,243	-	-	-	1,661,690
2023	19,079,340	-	-	-	1,124,968
2024	18,192,437	-	-	-	568,245
2025	17,275,534	278,454	-	24,364	-

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) See Schedule 14 for personal income data.

(b) See Schedule 14 for population data.

(c) Amount includes deferred premium on bonds

Total Primary Government	Percentage of Personal Income (a)	Per Capita (b)
$ 6,867,365	0.71%	$ 175
5,880,887	0.56%	145
4,862,465	0.46%	120
25,758,814	2.46%	629
24,528,901	2.30%	602
23,001,309	2.24%	576
21,597,933	1.85%	535
20,204,308	1.77%	509
18,760,682	1.64%	472
17,578,352	1.11%	441

CITY OF DUNCANVILLE, TEXAS **TABLE 10**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended Sept. 30,	General Obligation Bonds	Less: Amounts Restricted for Debt Service Principal	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2016	$ 5,712,023	$ 55,632	$ 5,656,391	0.31%	$ 144
2017	4,930,301	741	4,929,560	0.25%	121
2018	4,123,579	-	4,123,579	0.20%	102
2019	25,238,808	-	25,238,808	1.10%	616
2020	24,235,183	1,374,414	22,860,769	0.91%	561
2021	22,941,559	1,313,402	21,628,157	0.85%	541
2022	21,597,933	1,261,895	20,336,038	0.72%	504
2023	20,204,308	546,851	19,657,457	0.61%	495
2024	18,760,682	507,066	18,253,616	0.51%	459
2025	17,275,534	547,369	16,728,165	0.43%	419

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 5 for property value data.

(2) See Schedule 14 for personal income and population data.

CITY OF DUNCANVILLE, TEXAS **TABLE 11**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Duncanville Independent School District	$ 333,240,000	44.91%	$ 149,658,084
Dallas County	217,675,000	0.84%	1,828,470
Dallas College	318,675,000	0.84%	2,676,870
Dallas County Hospital District	543,495,000	0.84%	4,565,358
Cedar Hill Independent School District	76,530,360	0.21%	160,714
Dallas Independent School District	4,117,920,000	0.00%	-
Subtotal, overlapping debt			158,889,496
City direct debt			17,553,988
Total direct and overlapping debt			$ 176,443,484

Source: Municipal Advisory Council Of Texas

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries

LEGAL DEBT MARGIN INFORMATION
AS OF SEPTEMBER 30, 2025
(UNAUDITED)

As a home rule city, the City of Duncanville is not limited by law in the amount of debt it may issue. The City's charter (Article 5, Section 1) states:

> "In keeping with the Constitution of the State of Texas and not contrary thereto, the City of Duncanville shall have the power to borrow money on the credit of the City for any public purpose not now or hereafter prohibited by the Constitution and laws of the State of Texas, and shall have the right to issue all tax bonds, revenue bonds, funding and refunding bonds, time warrants and other evidence of indebtedness as now authorized or as may hereafter be authorized to be issued by cities and towns bythe laws of the State of Texas."

Article 11, Section 5 of the State of Texas Constitution States in part:

> "but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city"

The tax rate at September 30, 2025 is $.614834 per $100 of assessed valuation with assessed valuation being 100% of market value.

Sources: City of Duncanville, Texas City Charter
State of Texas Constitution

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended Sept. 30,	Population (a)	Personal Income	Per Capita Income (a)	Median Household Income (a)	Number of Households (a)	School Enrollment (b)	Unemployment Rate	
2016	39,224	$ 973,618,128	$ 24,822	$ 56,002	13,434	12,945	3.90%	(a)
2017	40,594	1,051,262,818	25,897	56,993	13,791	12,889	4.00%	(a)
2018	40,565	1,065,561,420	26,268	57,695	13,651	12,761	4.10%	
2019	40,948	1,047,286,048	25,576	58,631	13,753	12,460	6.40%	
2020	40,739	1,067,361,800	26,200	59,405	13,616	12,674	7.10%	(e)
2021	39,946	1,026,372,524	25,694	59,290	13,362	11,826	8.10%	(a)
2022	40,358	1,166,144,410	28,895	63,946	13,556	11,414	5.70%	(a)
2023	39,727	1,140,919,713	28,719	61,350	13,372	*14,054	5.70%	(a)
2024	39,727	1,140,919,713	28,719	61,350	13,372	*14,054	4.20%	(c)
2025	39,879	1,590,334,641	39,879	71,381	13,385	*13,869	6.10%	(d)

Sources:
(a) ESRI
(b) *Texas Education Agency website - includes Duncanville ISD, Advantage Academy and Village Tech Schools
(c) Information last updated May 2024. No change from figures reported in FY 2023
(d) 2025 info - census.gov 2023 5-year estimate data profile

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PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2025			2016		
Employer	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,600	1	8.65%	1,720	1	8.81%
Cabinetworks (formerly Masco Cabinets)	706	2	3.82%	590	2	3.02%
City of Duncanville	335	3	1.81%	262	3	1.34%
Pioneer Frozen Foods	176	4	0.95%	185	5	0.95%
Automann Texas	157	5	0.85%			
Costco Wholesale	145	6	0.78%	180	6	0.92%
DeFords	130	7	0.70%	200	4	1.02%
Pappadeaux	125	8	0.68%	145	7	0.74%
W&B Service Company	100	9	0.54%			0.00%
Freedom Dodge Chrysler Jeep	75	10	0.41%	119	9	0.61%
Winco Foods				130	8	0.67%
La Mexicana Tortilla Factory				100	10	0.51%
Total	3,549		19.18%	3,631		18.59%

Note:
(a) Total City Employment (1) 18,500 19,529

Sources:
(1) ESRI BIS
(2) Duncanville Community Economic Development Corporation

CITY OF DUNCANVILLE, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	2016	2017	2018	2019
By Functions				
General Government	36.13	37.00	37.32	37.14
Fire Services	54.33	54.30	54.25	55.00
Neighborhood & Code Services				
Police Services (Civil)	60.00	60.00	60.00	60.00
Police Services (Non-Civil)	19.07	18.70	18.91	18.74
Public Works	34.50	35.50	41.00	44.00
Library Services	12.00	11.70	11.97	11.35
Parks and Recreation	60.25	58.60	58.66	54.54
Community Services				
Water and Wastewater	23.50	23.50	23.00	22.00
Total Employees by Function	299.78	299.30	305.11	302.77
By Departments				
General Government	21.00	21.70	21.15	21.99
Finance	25.13	25.00	24.50	24.50
Neighborhood Services				
Parks and Recreation	60.25	58.60	59.48	54.54
Police (Civil)	60.00	60.00	60.00	60.00
Police (Non-Civil)	19.07	18.70	18.91	18.74
Public Works	34.50	31.50	41.00	43.00
Utilities	23.50	27.50	23.00	23.00
Fire (Civil)	51.00	51.00	51.00	51.00
Fire (Non Civil)	3.33	3.25	3.25	4.00
Economic Development	2.00	2.00	2.82	2.00
Total Employees by Department	299.78	299.25	305.11	302.77
By Fund				
General	231.55	230.70	239.35	240.58
Utility	33.50	33.50	33.00	32.00
Hotel/Motel	0.00	0.00	0.30	0.30
Economic Development	3.38	3.80	2.82	2.54
Grant	2.10	4.10	3.42	2.04
Camp Fund	1.38	0.60	0.00	0.00
Drainage	4.00	4.00	4.00	3.50
Solid Waste	4.00	4.00	4.00	5.00
Traffic Administration	1.00	1.00	1.00	0.00
Juvenile Case Manager	0.50	0.50	0.50	0.50
Fieldhouse	18.37	17.10	16.72	16.31
Total Employees by Fund	299.78	299.30	305.11	302.77

Source: City of Duncanville, Texas Annual Budgets

2020	2021	2022	2023	2024	2025
37.64	36.33	41.69	47.50	50.00	51.50
55.00	55.00	56.00	55.00	55.50	56.00
		14.00	15.00	15.00	15.00
60.00	60.00	62.00	63.00	63.00	63.00
18.00	13.79	14.80	15.00	15.70	17.00
43.00	43.00	39.21	41.70	41.10	41.00
12.00	11.65	11.43	13.00	12.60	2.00
53.92	47.05	40.72	44.30	45.80	47.00
23.00	23.00	22.50	20.00	20.00	20.00
302.56	289.82	302.35	314.50	318.70	312.50
23.64	23.80	27.88	32.00	33.10	24.00
24.00	22.00	22.00	24.00	24.00	24.00
		14.00	15.00	15.00	15.00
53.92	47.05	40.72	44.30	45.80	47.00
60.00	60.00	62.00	63.00	63.00	63.00
18.00	13.79	14.80	15.00	15.70	17.00
43.00	43.00	41.21	35.70	35.10	35.00
23.00	23.00	20.50	26.00	26.00	26.00
51.00	51.00	51.00	52.00	52.00	52.00
4.00	4.00	5.00	3.00	3.50	4.00
2.00	2.18	3.24	4.50	5.50	5.50
302.56	289.82	302.35	314.50	318.70	312.50
244.54	234.24	244.75	255.50	257.30	251.50
32.00	32.00	32.50	33.00	32.00	32.00
0.30	0.30	0.30	1.00	1.00	1.00
2.32	1.88	4.03	4.90	6.60	6.50
1.40	1.00	1.00	0.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
3.50	3.50	4.00	3.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00	5.00
0.00	0.00	0.00	0.00	0.00	0.00
0.50	0.50	0.50	0.00	0.00	0.00
13.00	11.40	10.27	12.10	12.80	12.50
302.56	289.82	302.35	314.50	318.70	312.50

CITY OF DUNCANVILLE, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Years	2016	2017	2018	2019
Function/Program				
General Government				
Building Permits Issued (a)	388	445	1,349	1,667
Police				
Criminal Arrests	1,964	1,465	1,173	1,281
Index Crimes per 1,000 Population	50	33	38	33
Fire				
Total Calls for Service (Fire & EMS)	5,904	6,671	6,688	6,887
Total Structural Inspections	1,200	1,153	1,008	977
Public Services				
Utility Cuts Repaired	320	320	191	164
Sidewalk Repaired (Square Feet)	7,500	3,740	8,320	33,297
Parks and Recreation				
Program Participation Hours	15,000	2,979	6,893	4,693
Number of Annual Passes Sold	1,000	2,477	1,926	686
Library				
Volumes in Collection	118,553	97,126	98,551	100,000
Total Volumes Borrowed	110,000	101,969	121,118	102,578
Water/Wastewater				
Water Main Breaks	31	32	17	27
Number of Gallons of Water Pumped (000s)	1,745,900	1,500,643	1,500,643	1,592,391
Average Daily Consumption (MGD)	6.25	4.41	4.00	4.36
Miles of Sewer Mains Cleaned	110.00	138.48	144.45	52.15

Source: City of Duncanville, Texas Annual Budgets in prior years.
(a) 2021 - Buildng Permits - Number included all permits issued, including, but not limited to,
NA - Information is not available.

2020	2021	2022	2023	2024	2025
2,083	4,299	3,641	3,011	NA	2,008
650	783	858	NA	1,190	165
27.8	27.2	32	NA	27	16
7,295	7,388	7,124	NA	7,191	7,512
811	690	572	NA	341	322
115	150	17	47	51	53
29,702	10,358	1,464	1,112	8,282	2,629
637	1,237	NA	3,099	1,919	1,566
1,338	1,120	NA	840	1,153	1,053
107,331	108,104	98,718	98,718	99,548	101,358
45,223	50,963	53,781	53,781	53,491	51,199
45	22	25	NA	35	61
1,613,147	1,692,569	1,870,000	NA	2,306,696	1,626,867
4.41	4.64	5.12	NA	6.3	4.46
1.39	60.89	316.32	NA	41.97	30.03

CITY OF DUNCANVILLE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	2016	2017	2018	2019
Function/Program				
Public Safety				
Emergency Vehicles (Police & Fire)	31	33	33	34
Public Works				
Streets - Paved (Miles)	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	36.81	36.81	36.09	36.09
Traffic Signals	36	36	36	36
Street Signs	1,966	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	10,059	10,096	10,029	10,059
Non-Emergency Vehicles	89	112	103	107
Parks and Recreation				
Park Acres	244.0	244.0	244.0	244.0
Playgrounds	13	13	13	13
Total Athletic Facilities Maintained	55	55	55	55
Water/Wastewater				
Miles of Water Mains *	197.52	197.52	189.48	191.00
Fire Hydrants	1,428	1,365	1,363	1,363
Sanitary Sewer Lines (Miles)	154.95	154.95	154.95	154.95
Sanitary Sewer Laterals (Miles)	77.35	77.35	77.35	77.35

Source: City of Duncanville, Texas Annual Budgets
* Prior to 2021 database of Fixed Assets not updated to obtain accurate number.
** Classification of Emergency Vehicles changed to the total number of vehicles assigned to Police/Fire. Marked and Unmarked.

2020	2021	2022	2023	2024	2025
34	34	34	34	34	100
156.05	156.05	156.05	156.05	156.05	154.00
36.09	36.09	36.09	36.09	36.09	36
36	37	37	37	37	37
1,966	1,966	1,966	1,966	1,966	1,966
10,080	10,212	10,212	10,212	10,227	11,028
107	107	111	111	111	67
244.0	244.0	244.0	244.0	244.0	244.0
13	13	13	13	13	13
55	55	55	55	55	55
191.00	310.62	311.31	311.31	311.31	311.31
1,425	1,425	1,434	1,434	1,439	1,439
154.95	161.74	162.11	162.11	162.11	162.11
77.35	77.35	77.35	77.35	77.35	77.35

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